

DOMINICAN REPUBLIC'S

Green, Social, and Sustainability Bond Framework



GOBIERNO DE LA
REPÚBLICA DOMINICANA

HACIENDA

June 2024

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS

Page 04

1

INTRODUCTION

Page 07

2

DOMINICAN REPUBLIC INSTITUTIONAL FRAMEWORK, COMMITMENTS AND ENVIRONMENTAL AND SOCIAL POLICIES

Page 10

2.1

Institutional framework and international commitments

Page 10

2.2

Environmental priorities

Page 12

2.2.1

Mitigation

Page 12

2.2.1.1

Transport sector with low carbon emissions and sustainable urban mobility

Page 13

2.2.1.2

Integration of renewable energies and energy efficiency

Page 14

2.2.2

Sustainable management of water and water resources

Page 15

2.2.3

Adaptation and disaster risk

Page 16

2.2.4

Solid waste and pollution prevention

Page 18

2.2.5

Biodiversity

Page 19

2.3 Social priorities

Page 21

2.3.1 Childhood and adolescence

Page 21

2.3.2 Security and Sustainable Food Systems

Page 22

2.3.3 Health

Page 23

2.3.4 Gender Gaps and Inequality

Page 25

2.3.5 Support for vulnerable groups and criteria for defining the target population

Page 26

3 SUSTAINABLE FINANCE IN THE DOMINICAN REPUBLIC

Page 30

4 DOMINICAN REPUBLIC ´S GREEN, SOCIAL, AND SUSTAINABILITY BOND FRAMEWORK

Page 33

4.1 Use of proceeds

Page 34

4.2 Process for expenditure evaluation and selection

Page 54

4.2.1 Environmental and social risk management

Page 56

4.3 Management of proceeds

Page 59

4.4 Reporting

Page 60

5 EXTERNAL REVIEW

Page 65

6 UPDATES TO THIS FRAMEWORK

Page 66

ACRONYMS AND ABBREVIATIONS

ACE	Action for Climate Empowerment
ARS	Health Risk Managers (Administradoras de Riesgos de Salud)
CAFI	Comprehensive Child and Family Care Centers (Centros Comunitarios de Atención a la Infancia y la Familia)
CAIPI	Comprehensive Early Childhood Care Centers (Centro de Atención Integral a la Primera Infancia)
CBT	Thematic Bond Committee (Comisión de Bonos Temáticos)
CCA	Climate Change Adaptation
CDS	High Level Interinstitutional Commission for Sustainable Development (Comisión Interinstitucional de Alto Nivel para el Desarrollo Sostenible)
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CNCCMDL	National Council for Climate Change and Clean Development Mechanism (Consejo Nacional para el Cambio Climático y Mecanismo de Desarrollo Limpio)
CNE	National Energy Commission (Comisión Nacional de Energía)
CONANI	National Council for Children and Adolescents (Consejo Nacional para la Niñez y la Adolescencia)
CP	Public Debt Office of the Ministry of Finance (Dirección General de Crédito Público)
CPN	First Level Centers (Centros de Primer Nivel de Atención)
C&A	Children and Adolescents
DIA	Environmental Impact Statement
DIGEPRES	General Budget Directorate of the Ministry of Finance (Dirección General de Presupuesto)
DRM	Disaster Risk Management
ENBPA	National Strategy for Conservation and Sustainable Use of Biodiversity - Action Plan (Estrategia Nacional de Conservación y Uso Sostenible de la Biodiversidad - Plan de Acción)
END	National Development Strategy (Estrategia Nacional de Desarrollo)
ESH	Household Socioeconomic Survey (Estudio Socioeconómico de Hogares)
GBP	Green Bond Principles
GCPS	Social Policies Cabinet (Gabinete de Coordinación de Política Social)
GCRI	Global Climate Risk Index
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GSD	Gran Santo Domingo
HDI	Human Development Index
ICMA	International Capital Markets Association
ICT	Information and Communications Technology
IFC	International Finance Corporation
INABIE	National Institute of Student Welfare (Instituto Nacional de Bienestar Infantil)
INAIPI	National Institute of Comprehensive Early Childhood Care (Instituto Nacional de Atención Integral a la Primera Infancia)
INTRANT	National Institute of Transit and Land Transportation (Instituto Nacional de Tránsito y Transporte Terrestre)
LAC	Latin America and the Caribbean
MEM	Ministry of Energy and Mines (Ministerio de Energía y Minas)

MEPyD	Ministry of Economy, Planning and Development (Ministerio de Economía, Planificación y Desarrollo)
MINPRE	Ministry of the Presidency (Ministerio de la Presidencia)
MISPAS	Ministry of Public Health and Social Assistance (Ministerio de Salud Pública y Asistencia Social)
MMARN	Ministry of Environment and Natural Resources (Ministerio de Medio Ambiente y Recursos Naturales)
MoF	Ministry of Finance (Ministerio de Hacienda)
MTDS	Medium-Term Debt Management Strategy
NDC	Nationally Determined Contribution
PAE	School Food Program (Programa de Alimentación Escolar)
PAM	Mobile Food Program (Programa de Alimentación Móvil)
PEN	National Energy Plan (Plan Nacional de Energía)
PMAA	Management Plan and Environmental Adequacy (Plan de Manejo y Adecuación Ambiental)
PMAC	High-Cost Medication Program and Direct Medical Aid (Programa de Medicamentos de Alto Costo y Ayudas Médicas Directas)
PNACC	National Plan for Climate Change Adaptation (Plan Nacional de Adaptación al Cambio Climático)
PROMESE/ CAL	Essential Medicines Program and Logistics Support Center (Programa de Medicamentos Esenciales y Central de Apoyo Logístico)
QLI	Quality of Life Index
REDD+	Reduction of Emissions from Deforestation and Forest Degradation (Reducción de Emisiones por Deforestación y Degradación de los Bosques)
SBG	Sustainability Bond Guidelines
SBP	Social Bond Principles
SDG	Sustainable Development Goals
SIGEF	Financial Management Information System (Sistema de Información de la Gestión Financiera)
SIMV	Securities Market Superintendence (Superintendencia del Mercado de Valores)
SINAP	National System of Protected Areas (Sistema Nacional de Áreas Protegidas)
SINASSAN	National System for Food and Nutrition Sovereignty and Security (Sistema Nacional para la Soberanía y Seguridad Alimentaria y Nutricional)
SITP	Integrated Public Transportation System (Sistema Integrado de Transporte Público)
SIUBEN	Single Beneficiary System (Sistema Único de Beneficiarios)
SNIP	National Public Investment System (Sistema Nacional de Inversión Pública)
SPO	Second Party Opinion
TN	National Treasury (Tesorería Nacional)
TNC	The Nature Conservancy
UGRA	Rapid Action Government Unity Program (Programa de Unidad Gubernamental de Rápida Acción)
UNAPS	Primary Health Care Units (Unidades de Atención Primaria de Salud)
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WGI	Worldwide Governance Indicators
WHO	World Health Organization

The development of this Framework, the portfolio of eligible expenditures and the verification process by an independent third party required hard work and joint efforts by different public sector institutions, as well as the collaboration of private sector institutions. For this reason, the Ministry of Finance and the Public Debt Office appreciate the submission of technical inputs and the active and timely participation of all the national government agencies involved in the process. Especially, they would like to express their gratitude to the Ministry of Environment and Natural Resources (MMARN), the Ministry of Economy, Planning and Development (MEPyD) and the Social Policy Coordination Cabinet (GCPS), as the governing entities of the green and social sectors, considered in this Framework.

Additionally, we would like to express gratitude to the World Bank for the technical support and guidance throughout this process.





City of Santo Domingo

INTRODUCTION

The Dominican Republic's economy has been one of the most dynamic and resilient in Latin America and the Caribbean (LAC) over the last two decades, with a solid macroeconomic framework, democratic stability and effective government policies, which is reflected in its notable capacity to respond and recover from extreme events, as in the case of the COVID-19 pandemic.¹

This has also been reflected in the World Bank's Worldwide Governance Indicators (WGI), which on average went from 41.92 in 2018 to 50.86 in 2022 (control of corruption, rule of law, voice and accountability, government effectiveness, regulatory quality, and

political stability and absence of violence/terrorism). Likewise, the country ranks 80th out of 191 countries in the Human Development Index (HDI), with a score of 0.767 in 2021, placing it in the "high human development" category and ranking it among the top 10 positions in LAC.²

The Dominican government is committed to maintaining economic dynamism, towards a path of sustainable, inclusive, innovative and resilient development to climate change, while guaranteeing the quality of life, well-being and protection of its population. To that end, the National Development Strategy

¹After contracting 5.6% in 2020 because of the pandemic, in 2021 the Dominican Republic was one of the six countries in the region that recovered the levels of the Gross Domestic Product (GDP) prior to it, with growth of 12.1%, due to effective implementation of the vaccination and social assistance programs and timely monetary policy.

²The advances in the WGI and the HDI have been reflected in the upgrade in the sovereign credit risk rating by S&P Global Ratings, from "BB-" to "BB" with a stable outlook (December 2022), which it ratified at the beginning of the year 2024; as well as in the improvement in the ratings outlook from stable to positive by Fitch Ratings (November 2023) and Moody's (August 2023).



(END) serves as the main planning instrument, which considers a long-time horizon (2012-2030), when establishing prioritized national goals in the institutional, social, economic, and environmental areas. The END proposes concrete actions to promote sustainable production and consumption, managing risks and protection of the environment and natural resources with equity and efficiency, while promoting adaptation to climate change and a transition to a low-carbon economy. Reducing extreme poverty it's also a priority for the Government, providing access to education, health, decent housing and quality essential services, seeking equal rights and opportunities, with efficient and transparent institutions at the service of citizens.

The Dominican Republic has made progress in meeting its international commitments and goals regarding sustainable development and climate change. The implementation of the 2030 Agenda for Sustainable Development Goals (SDGs) promotes and prioritizes the adoption of public policies aimed at promoting sustainable development with a focus on population groups in vulnerable situations. This has made it possible to integrate END goals with the SDGs. According

to the Second National Voluntary Report on compliance with the 2030 Agenda published by the Ministry of Economy, Planning and Development (MEPyD) by 2021, the level of alignment of SDGs targets with national planning was high (91%) and it is seeking full integration through medium-term planning.

In 2020, the country updated its Nationally Determined Contribution (NDC), under which it commits to reduce greenhouse gas (GHG) emissions in 27% by 2030. Although the Dominican Republic does not contribute significantly to global GHG emissions (0.07%), persistent increase could compromise its intention to achieve carbon neutrality by 2050, in particular, in the energy, transport, waste and agricultural sectors. Promoting economic growth with low carbon emissions, in addition to supporting climate change goals, represents an opportunity to improve competitiveness and productivity through technological advancement and the reduction of GHG emissions.

Due to its geographical location and status as an island state and because it is located in an area of intense cyclonic activity, the Dominican Republic is vulnerable to disasters from hydrometeorologi-

cal events, such as tropical waves, floods, droughts, storms and hurricanes, which could cause great human and economic losses. The above, coupled with the increase in temperature and sea level, poses challenges and threats to key socioeconomic sectors such as water, tourism, agriculture, food security, health, biodiversity, forests, coastal marine resources, infrastructure and energy.³ The Dominican State has addressed these issues by developing various policies and plans. The National Plan for Adaptation to Climate Change (2015-2030), the Comprehensive Management Plan for Priority Hydrographic Basins (2023) and the Dominican Republic 30x30 program stand out among these policies and plans.⁴

With the aim of mobilizing resources for public and private investment with high impact on mitigation, adaptation and conservation of biodiversity, the country is directing efforts to design its sustainable financing strategy through diverse financial instruments, through which the government seeks to play a catalytic role, encouraging the development of the thematic bond markets. Also, Dominican private issuers have successfully placed green bonds and sustainability-linked bonds in capital markets, while banks and corporations have actively participated in the development of a national Green Taxonomy aligned with the best international practices.

The purpose of this Framework is to outline the Dominican Republic's commitments and obligations for the issuance of Sovereign Green, Social, and Sustainability Bonds, enabling the mobilization of resources to advance the country's sustainable financing

strategy. This Framework is aligned with the four core components of the Green Bond Principles (GBP) June 2021,⁵ the Social Bond Principles (SBP) June 2023,⁶ and the Sustainability Bond Guidelines (SBG) June 2021,⁷ of the International Capital Markets Association (ICMA).

This Framework is structured as follows: i. institutional framework, commitments and environmental and social policies of the country; ii. sustainable finances; iii. Framework with subsections on a) use of proceeds, b) process for expenditure evaluation and selection, c) management of proceeds and d) allocation and impact reporting, which the country commits to transparently provide to investors until full allocation; and iv. external review, that includes the certification of a Second Party Opinion provider and an independent external auditing, to ensure that allocation of proceeds is in accordance with this Framework.

5 ICMA. 2021. Green Bond Principles. Available on the [website](#).

6 ICMA. 2023. Social Bonds Principles. Available on the [website](#).

7 ICMA. 2021. Sustainability Bond Guidelines. Available on the [website](#).

³ According to the World Bank's Climate and Development Report for the country (2023), by 2050 the effects of climate change are expected to reduce labor productivity in a range between 3.5% to 9% and have adverse impacts on health, at the same time, these effects will affect crop yields (some with impacts of up to 30% on their productivity), tourism, infrastructure (with damage estimated up to three times higher than historical levels according to the climate scenario) and natural ecosystems, such as forests and coastal areas.

⁴ For more information, see the [link](#).



2

DOMINICAN REPUBLIC INSTITUTIONAL FRAMEWORK, COMMITMENTS AND ENVIRONMENTAL AND SOCIAL POLICIES

2.1 Institutional framework and international commitments

In keeping with its commitment to being part of global efforts in favor of the planet and people, the Dominican Republic adopted the 2030 Sustainable Development Agenda ("Agenda 2030") in 2015. For its implementation, the High-Level Inter-Institutional Commission for Sustainable Development (CDS) was created, whose function is to inspire and guide the design of sustainable development policies and strategies at the national level.⁸ With assistance from the United Nations and the participation of various social stakeholders, the Dominican Government identifies five SDG accelerators: 1) low levels of multi-dimensional poverty; 2) competitiveness and decent employment; 3) sustainable production and consumption; 4) resilient populations in the face of climate change and other risks; and 5) solid and inclusive state institutions.

Likewise, to achieve the objectives of the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC), in 2020 the Dominican Republic submitted its revised NDC in which the country commits to reduce in 27% GHG emissions by 2030, estimating that they could reach 51,000 Gg CO₂eq in a baseline scenario (BaU).⁹ The NDC-2020 document comprises seven components establishing

⁸The CDS is made up of 24 regular members; It has a National Coordinator who is the minister of MEPyD; and a Technical Secretariat headed by the Vice Minister of Planning of the MEPyD. For more information, see the Internal Regulations of the CDS at [link](#).

⁹Government of the Dominican Republic. 2020. NDC 2020. Available on the [website](#).

sectoral objectives and prioritizing 46 mitigation measures and 37 adaptation measures, and emphasizes on strengthening domestic governance, as well as the capacities of institutions to enable effective implementation of decarbonization and climate resilience. It should be noted that the country is working on its new NDC for 2025-2030.¹⁰

On the other hand, the Dominican Constitution establishes that it is an essential function of the State to effectively protect the fundamental rights of people, within a framework of individual freedom and social justice, compatible with public order, general well-being

and the rights of all citizens.¹¹ It recognizes that both women and men are equal before the law and prohibits any act that nullifies the conditions of equality of the fundamental rights of women and men. Likewise, it establishes adaptation to climate change as a guiding principle for the definition of territorial plans and policies.

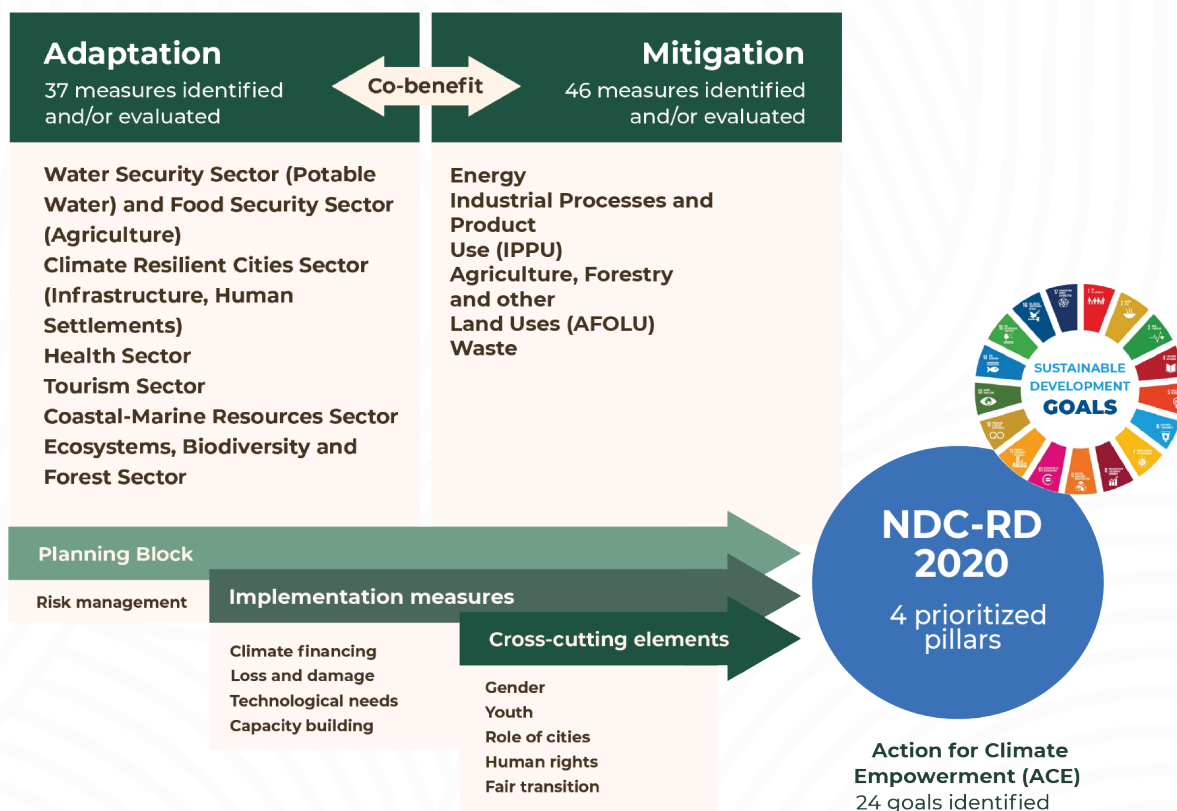
In 2012, with the approval of END Law (Law No. 1-12), the Dominican Republic developed the long-term roadmap to guide the country's institutional, social, and economic development.¹² This strategy establishes that building a society with equal rights and opportunities requires the achievement of seven goals: i)

10 The NDC-RD is expected to be updated in 2025, in accordance with national priorities and circumstances, and considering the country's Multiannual Public Investment Plan for the coordination of financing strategies.

11 Constitution of the Dominican Republic. Available on the [website](#).

12 National Development Strategy. 2012. Available on the [website](#).

Graph 1. Components of the updated 2020 NDC of the Dominican Republic



Source: Own elaboration based on the NDC-RD Action Plan 2022-2025 (CNCCMDL, 2022).

quality education, ii) health and integral social security, iii) equal rights and opportunities, iv) territorial cohesion, v) dignified housing in healthy environments, vi) national culture and identity in a global world, and vii) sport and physical recreation for human development.

Within the framework of END 2030, public policies are organized around four strategic pillars: i) Social democratic rule of law, ii) society with equal rights and opportunities, iii) sustainable, inclusive and competitive economy and iv) a society of environmentally sustainable production and consumption that adapts to climate change. Each of these pillars has goals and actions, which define the sustainable and resilient development model which the Dominican Republic wishes to pursue, based on government efficiency, with equal opportunities and the sustainable management of natural resources.

2.2 Environmental priorities

2.2.1 Mitigation

The Dominican Republic is working to formulate a long-term strategy that pursues carbon neutrality and resilient economic development. With this initiative, the country joins global efforts to achieve a net reduction of GHG emissions to zero by 2050 and limit the increase in temperature to 1.5 degrees Celsius by the end of the century. In this way, the National Government seeks to channel its efforts towards priority actions in the energy, transportation, agriculture, forestry, and

other land use change (AFOLU) sectors.

In accordance with the national GHG inventories, total emissions were estimated at 35,486.03 Gg CO₂eq (excluding the land sector), while net emissions were estimated at 24,634.24 Gg CO₂eq.¹³ The energy and transportation sectors are the country's main emitters, followed by agriculture, industrial processes, and solid waste. Land use is the only sector that consistently absorbs CO₂ emissions in the country.

According to the revised NDC-2020, the Dominican Republic commits to reducing GHG emissions in 27% by 2030, which represents 13,853 Gg CO₂ eq. The NDC distributes emissions reductions among the following sectors:¹⁴

Sector	Reduction goals
Energy	8,986 Gg CO ₂ eq
Waste	2,112 Gg CO ₂ eq
AFOLU	2,013 Gg CO ₂ eq
Industrial Processes and Product Use (IPPU)	732 Gg CO ₂ eq

In this context, and derived from its commitments to the UNFCCC, the Dominican Republic has developed the National Strategy for Reducing Emissions from Deforestation and Forest Degradation (National REDD+ Strategy), with the purpose of reducing GHG emissions and increasing carbon sinks through the conservation and sustainable use of forests, improving the quality of life of rural communities and society in general.¹⁵ This strategy is based on the implementation of three strategic lines and 22 specific actions. The strategic

¹³ First Biennial Climate Change Update Report (fBUR) of the Dominican Republic to the UNFCCC (2020). Available on the [website](#).

¹⁴ Dominican Republic - Report on Climate and Development of the Country (2023). Available on the [website](#).

¹⁵ National REDD+ Strategy. Available in the [link](#) and more information on the [website](#).

lines include: i) strengthening the legal and institutional framework for the conservation of natural heritage, ii) establishing, strengthening and implementing public policies that limit or contain the expansion of the agricultural, livestock and infrastructure frontier in forested areas, and iii) promoting natural resource management models that contribute to the conservation and sustainable use of forests.



2.2.1.1 Transport sector with low carbon emissions and sustainable urban mobility

The Dominican Republic is moving towards a comprehensive sustainable transportation model through the change of individual transportation to low-carbon emissions and safer and integrated mass modes,

which will contribute to reducing pollution levels. This, coupled with the reorganization of the urban mobility and road safety system as well as the establishment of vehicle restrictions that will allow the country to reduce carbon dioxide emissions and the noise generated by the oversupply of vehicles.¹⁶

The challenges in urban mobility are concentrated in Gran Santo Domingo (GSD). The transportation sector contributes to 20% of GHG emissions at the metropolitan level, with 60% of emissions coming from private and public cars, 16% from collective

¹⁶ In 2017, the Dominican Congress approved [Law No. 63-17](#) on Transportation and Road Safety, which aims to regulate and supervise mobility, land transportation, transit and road safety in the Dominican Republic, designating the INTRANT as the governing body and regulator. For more information, see the Law on the [website](#).



taxicabs, locally known as “conchos” and 15% from buses.¹⁷

In response, in GSD and also in other main cities in the country, sustainable urban mobility plans have been launched to improve of public transportation,¹⁸ which include implementing a low-carbon sustainable transportation model and the structuring of an Integrated Public Transport System (SITP) complemented with reorganization exercises for non-motorized modes and road safety schemes.¹⁹ Among the most important projects at the national level are the Santo Domingo Metro, Santo Domingo Cable Car, Santiago Cable Car and the Santiago Monorail.²⁰

In addition, the National Strategic Plan for Electric Mobility²¹ integrates the strategic lines of the National Energy Commission (CNE) and the National Institute of Transit and Land Transportation (INTRANT)²² for the promotion and greater participation of low environmental impact vehicles in the nation's car population, as well as the integration of high efficiency buses in the public transportation system.

2.2.1.2 Integration of renewable energy and energy efficiency

The Dominican Republic is making continued strides in transforming its electricity generation matrix, gradually boosting the development of non-conventional renewable energy sources.

These investments are supported by the National Government with the design and implementation of Law No. 57-07, as amended, on the Incentive for the Development of Renewable Energy Sources and their Special Regimes, through which investments in renewable projects are incentivized (solar, wind and biomass) through tax exemptions.²³

Generation from non-conventional renewable sources (wind, solar and biomass) went from 3.3% in 2017²⁴ to 11.4% in 2023.²⁵ Tax incentives aim to diversify the energy generation matrix, so that 25% of electricity requirements are supplied from renewable sources by 2025²⁶ and 30% by 2030.²⁷ Additionally, according to Central Bank of the Dominican Republic statistics,²⁸ at the end of 2023, energy is the second sector to



17 Conchos refer to shared car transportation mobilizing up to six passengers.

18 INTRANT (2019). Sustainable Urban Mobility Plan for Gran Santo Domingo. Available on the [website](#).

19 INTRANT (2021). National Strategic Plan for Road Safety of the Dominican Republic (PENSV) 2021-2030. Available on the [website](#).

20 To see these and other projects of national relevance visit the [link](#).

21 INTRANT (2020). National Strategic Plan for Electric Mobility. Available on the [website](#).

22 INTRANT (2018). Strategic Plan of the National Institute of Transit and Land Transportation of the Dominican Republic 2018–2022. Available on the [website](#).

23 [Law No. 57-07](#) as amended, [Law No. 253-12 \(Art. 32\)](#) and [Law No. 115-15](#) and details on the application of the Law are found in [Decree No. 65-23](#).

24 Performance Report for the Electricity Sector of the Ministry of Energy and Mines - December 2017. Available on the [website](#).

25 Performance Report for the Electricity Sector of the Ministry of Energy and Mines - December 2023. Available on the [website](#).

26 Article 21 [Law No. 57-07](#).

27 National Energy Plan 2022-2036. Available on the [website](#).

28 Statistics from the Central Bank of the Dominican Republic. Available on the [website](#).



El Naranjo Aqueduct, San Luis, Santo Domingo Este

attract more foreign direct investment, with 24.4% of total inflows.

In order to achieve the national commitments to reduce GHG emissions, the PEN 2022-2036 establishes a roadmap for the expansion of generation based on natural gas as a transition fuel and the integration of renewable energies. PEN's strategic pillars are: i) strengthening and reformulating the legal and institutional framework, ii) energy transition and sustainability which, in addition to the issue of promoting renewable energy, will address sectors in line with the NDC goals in sustainable mobility strategies, and iii) reliable, safe and quality supply.

2.2.2 Sustainable management of water and water resources

The Dominican Republic recognizes the right to safe and clean drinking water and sanitation as a human right at the center of its sustainable development, as a means to guarantee the health and well-being of the population. At the same time, it conceives water as an essential natural resource to be conserved and funda-

mental to preserve biodiversity and ecosystems. Water is a cross-cutting component of adaptation to climate change, serving as a crucial link between the Dominican society and the environment.

The Dominican State has prioritized initiatives and conducts reforms to safeguard water security, promote water efficiency and conservation, and increase the resilience of water resources from the protection of the upper basins to the disposal of wastewater.²⁹

Water governance in the country is based on the three functions or dimensions of water: a natural resource that must be protected and conserved, a human right that must be guaranteed, and an economic resource that must be regulated.³⁰ In this regard, the National Water Pact 2021-2036 implies a change of paradigm and approach concerning the use, exploitation, protection and conservation of the country's water

²⁹ For more information, see the document "Current Context of Water in the Dominican Republic" of the MEPyD, available at the [link](#).

³⁰ Press conference Dominican Pact for Water 2021-2036. Available at the [link](#).



Wastewater treatment plant, La Vega

resources, supported by the following six strategic pillars:³¹

- I. Integrated and institutional management of the sector, as the fundamental enabler of solutions in the short, medium and long term;
- II. Adequate attention to the protection and conservation of ecosystems that constitute the fundamental source of water resources in quantity and quality;
- III. Efficiency, resilience and sustainability in the management of water supply and demand considering the effects of climate change and current and future water demand;
- IV. Prioritization and strategic use of water resource, which guarantees access for human consumption, protection of vulnerable sectors, the diversification of water resource and its vital function for the health of ecosystems;
- V. The valuation of water as a basic and indispensable resource for the life, health, dignity of all human beings and for the biodiversity and health of ecosystems;
- VI. Efficient, equitable supply with high quality standards of drinking water and sanitation services for human and ecosystem health.

2.2.3 Adaptation and disaster risk

In the Dominican Republic, the critical factors in terms of climate change vulnerability are a high degree of exposure, a low capacity for adaptation and the presence of potentially sensitive habitats and/or sectors. In the country, the most devastating climatic phenomena (hurricanes and tropical storms) also show strong seasonality, although these variations are not easily predictable.

³¹ The National Water Pact is the result of consultations and dialogues organized by the Water Cabinet, an entity coordinated by the MEPyD and the Ministry of Environment and Natural Resources (MMARN) and involving government, academic, university, environmental, municipal, private companies, governing bodies and political parties. The Dominican Pact for Water 2021-2036, is available on the [website](#).



In relation to climate sensitivity, the National District Climate Vulnerability Assessment (DR VA) report³² states that the relevant productive sectors³³ depend largely on surface and groundwater and are sensitive to localized land use, which are likely to experience a decrease in economic activity. This can be seen in the precarious economic situation of the regions prioritized in the National Plan to Combat Desertification and the Effects of Droughts, given the levels of vulnerability to drought and aridity index of these areas presented, as derivations of other effects.³⁴

Also, the analysis of the Critical Points of Vulnerability to climate change in the Dominican Republic shows that around 40% of the country present levels of vulnerability from high to very high.³⁵ In this context, focusing efforts on regions, provinces and/or municipalities with this degree of vulnerability is essential to address this complex problem effectively.

Natural hazards have historically affected economic activity in the Dominican Republic. According to the Fiscal Risk Report published by the

Ministry of Finance in 2021, between 1960 and 2017 the direct and indirect losses caused by the most severe events in the country were estimated at US\$8,606 million, where half of the losses are concentrated in the agricultural and transportation infrastructure sectors.³⁶

The Dominican Republic has policies and promotes reforms to accelerate Climate Change Adaptation (CCA) actions and improve Disaster Risk Management (DRM):

- **Law on Territorial Planning, Land Use and Human Settlements (Law No. 368-22).** Establishes that local governments include measures for adaptation and resilience to climate change and criteria for assigning coastal-marine land use in their development and land use plans.
- **National Climate Change Adaptation Plan (PNACC) 2015–2030.**³⁷ It includes six strategic pillars, each setting objectives and lines of action: water and food security, climate resilient infrastructure, health and resilient communities, resilience of forests and ecosystems, business competitiveness, and sustainable use of marine and coastal resources.
- **Comprehensive Management Plan for Priority Hydrographic Basins (2023).** Its purpose is to guarantee water as an essential resource for the development of the country and aims to reforest

32 United States Agency for International Development (USAID), Santo Domingo Institute of Technology (INTEC), ICF International (2016). Evaluation of the climatic vulnerability of the National District for the Territorial Planning Plan. Available on the [website](#).

33 Statistics from National Statistics Office. Available on the [website](#).

34 National Action Plan to Combat Desertification and the Effects of Drought 2018-2030. Available on the [website](#).

35 United States Agency for International Development (USAID), The Nature Conservancy (TNC), Dominican Institute for Integral Development (IDDI), Fundación Plenitud. (2013) Critical Points for vulnerability. Available on the [website](#).

36 Ministry of Finance. 2021. Fiscal Risk Report. Available on the [website](#).

37 National Council for Climate Change and Clean Development Mechanism (CNCCMDL). 2016. PNACC 2015–2030. Available on the [website](#).



Girasol Solar Park, Yaguate, San Cristóbal

15 priority basins and sub-basins in the country, to mitigate the depletion of fresh water sources and contamination by sediments, solid and liquid waste.

- **National Action Plan to Combat Desertification and the Effects of Droughts (2018-2030).** It combines aspects of food security and agricultural productivity, covering actions to control the increase of desertification, reducing degradation, conserving soils and recovering degraded lands. Also, it aims to implement measures to achieve water security that supplies the population and productive sectors, while mitigating the effects of water scarcity and social, economic, and environmental impacts of droughts.
- **Action Plan on Gender and Climate Change to 2030 (2018).** The Plan includes measures so that both women and men can respond to climate change in a fair and equitable manner. Given that climate change aggravates

existing patterns of inequality and that women are agents of change and support for families and communities, the Dominican Republic recognizes that gender perspective is a cross-cutting aspect of the development of climate change adaptation plans.

2.2.4 Solid waste and pollution prevention

The Dominican Republic directs its efforts towards the establishment of a robust legal regime that will allow comprehensive management for reducing, reusing, recycling and recovering solid waste. At the same time, regulating the collection, transportation, and sweeping systems, final disposal sites, transfer stations, collection centers, and recovery plants. In response to the above, in 2020 the General Law on Comprehensive Management and Co-processing of Solid Waste³⁸ was enacted, and the country is working

³⁸ [Law No 225-20](#)

on formulating the National Solid Waste Disposal Plan.³⁹ Current legislation establishes measures to ensure the continuity and effectiveness of the service, including action plans at the national level, an organizational structure for government entities, and financing strategies in order to mitigate current challenges in solid waste management.

To strengthen these purposes, the executing unit ECO5RD was created to promote the reduction of environmental impact, due to inadequate waste disposal, which has resulted in GHG emissions, water pollution, soil degradation, drainage obstruction, flooding and damage to health and ecosystem services. Additionally, it prioritizes the implementation of programs such as the National Intervention Program for Landfills and Sanitary Landfills, the Eco Housing Program or Eco-Friendly

39 Under the Institutional Capacity Development Project for National Solid Waste Management, the Dominican Republic together with JICA is working on the formulation of this Plan. Available on the [website](#).

Infrastructures and the Government Program Unit for Rapid Action (UGRA).⁴⁰

2.2.5 Biodiversity

The Dominican Republic is one of the most biodiverse island countries, characterized by great biological wealth, high rates of native and endemic species of flora and fauna⁴¹ and a variety of ecosystems, from tropical rainforests to coral reefs.⁴²

The Dominican Republic has specific regulations on biodiversity conservation. Among these are: the END 2030, General Law of the Environment and Natural

40 Eco5RD coexists with the Department for Comprehensive Waste Management, an administrative unit of the MMARN in charge of ensuring compliance with the General Law of Comprehensive Management and Co-processing of Solid Waste.

41 MMARN. National Strategy for the Conservation and Sustainable Use of Biodiversity and Action Plan 2011-2020 (ENBPA). Available on the [website](#).

42 MMARN. Biodiversity in the Dominican Republic. 1 ed. 2020, Santo Domingo, D. N.: Ministry of Environment and Natural Resources.



Solid waste weighing station, Higüey

Resources (Law No. 67-00⁴³), Sectoral Law of Protected Areas (Law No. 202-04⁴⁴), Sectoral Law on Biodiversity (Law No. 333-15⁴⁵) and a National Strategy for the Conservation and Sustainable Use of Biodiversity - Action Plan (ENBPA).

To conserve biodiversity and natural resources, Law No. 202-04 defines the National System of Protected Areas (SINAP), which comprises: i) protected areas belonging to UNESCO World Heritage List, ii) key areas for Biodiversity and iii) the protected areas created by decree⁴⁶ of the Executive Branch after the promulgation of the Law. For their conservation, the Dominican government seeks to implement biodiversity monitoring and evaluation programs.

In compliance with the Global Biodiversity Framework, the Dominican Republic has adopted the Dominican Republic 30x30 program, promoted by the MMARN, an organizational and operational strategy that aims to conserve and manage 30% of the land and marine surface under the category of protected areas

⁴³ [Law No. 67-00](#).

⁴⁴ [Law No. 202-04](#).

⁴⁵ [Law No. 333-15](#).

⁴⁶ [Decree No. 571-09](#) of the Dominican Republic created 32 protected areas, among which are four scientific reserves (Salcedoa, Dicayagua, Loma Quita Espuela, El Valle de Los Cocos), five national parks (La Hispaniola, Saltos de la Jalda, El Conde, La Gran Sabana, Anacaona), six natural monuments (Salto de Jimenoa, Saltos de Jima, El Saltadero, Salto de Socoa, Saltos de la Tinaja, Las Marías), two marine sanctuaries (Arrecifes del Sureste and Arrecifes del Suroeste), two wildlife refuges (Manantiales de Don Gregorio and Laguna de Oviedo) and a national recreation area (Boca de Nigua).

There is also [Decree No. 651-21](#) that creates the Loma 7 Picos National Park, under category II of the International Union for Conservation of Nature (IUCN).



Limón Falls, Samaná



and other protection mechanisms, generating in turn environmental, socioeconomic and financial benefits for the country. At the time of this Framework, the country has 25.8% of its land territory and approximately 30.8% of its marine surface⁴⁷ under protection criteria.

2.3 Social priorities

2.3.1 Childhood and adolescence

The Dominican Republic continues to advance in the protection and promotion of the rights of children and adolescents. In 1991, it ratified the Convention on the Rights of the Child, which established the rights of children and adolescents as subjects of law and not only of “out of compassion-repression.” This legal framework has promoted the adoption of policies and programs aimed at guar-

⁴⁷ More information about biodiversity in the Dominican Republic in the [link](#) and protection of marine spaces in the [link](#).

anteeing the well-being and comprehensive development of all children and adolescents in the country.

Law No. 136-03⁴⁸ establishes the Code for the Protection System and Fundamental Rights of Children and Adolescents, regulating the full exercise of their rights and establishing the National Council for Children and Adolescents (CONANI) as the governing body of the National Protection System.

Moreover, the Dominican State is working to address challenges that require continuous attention and coordinated actions by the government and civil society, such as the low completion rate of secondary education, especially among the poor. Programs such as “Supérate”⁴⁹ implement initiatives such as “Aprende” and “Avanza”, aimed at tackling

⁴⁸ [Law No. 136-03](#).

⁴⁹ The reach of “Supérate” is one million homes, categorized as vulnerable according to the Quality-of-Life Index (ICV) of the Single System of Beneficiaries (SIUBEN).



school dropouts and promoting an increase in the average number of years of education.

Among the country's initiatives, the National Institute for Comprehensive Early Childhood Care (INAIPI) stands out, which guarantees the optimal development of children from 0 to 5 years old through the Comprehensive Early Childhood Care Centers (CAIPI) and Child and Family Care Centers (CAFI). These centers offer comprehensive services including timely stimulation, health, nutrition, protection against violence and birth registration.

Additionally, to provide economic support to families with children and adolescents with disabilities, specific programs are implemented for vulnerable groups, such as the National Fund for Children and Adolescents with Disabilities. This fund seeks to improve the quality of life of these

children and guarantee their access to necessary services and support.

2.3.2 Security and sustainable food systems

The Dominican Republic, through Law No. 589-16,⁵⁰ recognizes the right of every person to adequate food and therewith created the National System for Food and Nutritional Sovereignty and Security (SINASSAN). Through the System, government and civil society efforts are coordinated to promote the availability, equitable distribution, and physical and economic access to food. In addition, it ensures the protection of local markets, strengthens the production of healthy and nutritious foods and promotes the eradication of malnutrition.

Additionally, the Dominican State has

⁵⁰ [Law No. 589-16](#).





2.3.3 Health

The Dominican State is committed to bringing quality health to the most vulnerable and lowest-income populations. To achieve this goal, having access to essential services and medicines at low and quality prices is necessary. In response to this need and the high costs of medicines defined as essential for the basic care of the most vulnerable groups, through Decree No. 2265, the Essential Medicines Program (PROMESE) was created with the purpose of acquiring medicines to be distributed to public hospitals, health subcenters, rural clinics and other state health care institutions.

Through Decree No. 991-00, PROMESE also became a Logistics Support Center (CAL) with the objective of guaranteeing a system that will provide the entire public sector with quality, basic and necessary medical supplies. To meet its objective, PROMESE/CAL has established a network of government sponsored pharmacies, known as Farmacias del Pueblo, which impacts more than 4.5 million people monthly, generating savings in spending for the most vulnerable population. By 2022, this network is made up of a total of 611 pharmacies distributed throughout the national territory providing pharmaceutical services and care.

On the other hand, considering the high costs of medications for catastrophic diseases and that the State must ensure the protection of the health of all people, the Ministry of Public Health and Social Assistance (MISPAS) created the High-Cost Med-

the Economic Eateries (Comedores Económicos), an institution that assists the most vulnerable sectors of the country by efficiently and reliably providing high-quality raw or cooked meals. One of the most notable initiatives of the Economic Eateries is the Mobile Food Program (PAM), which expands the coverage of services and strengthens assistance in cases of natural disasters throughout the national territory, being a fundamental pillar in the fight against hunger and food insecurity.

The “Aliméntate” initiative, in turn, provides financial assistance to qualifying households to supplement their income for the acquisition of essential foods and the National Student Welfare Institute (INABIE) conducts the School Feeding Program (PAE), which guarantees adequate feeding of students at food risk, benefiting 1.7 million students and 1.9 million people.



Maternal Hospital Dra. Evangelina Rodríguez, Santo Domingo

icines and Direct Medical Aid Program (PMAC), which was later called the Directorate of Access to High-Cost Medicines. This Directorate provides patients with “catastrophic or uncommon diseases, or rare, infrequent conditions” with medications that require greater financial resources to be purchased, as well as financial support through the Medical Aid service for carrying out diagnostic studies or procedures, including surgeries that cannot be afforded by the citizens or that are not covered by the Health Risk Administrators (ARS).

In addition, the country created the 2030 National Strategic Health Plan that addresses health perspectives related to the social inclusion of service networks, governance, governability and public, private and community articulation. The plan includes four strategic goals operationalized in 18 lines of action: i) social inclusion, which prioritizes networks and ser-

vices to increase access to health for the population, especially vulnerable groups; ii) the economy and financing of health that seeks to transform the health status of the population and pay for services through efficient management models consistent with life expectancy; iii) environment, which is related to risks, planning and adaptation to climate change, and iv) governability, governance and public-private-community articulation, which seeks to strengthen delivery, effectiveness, transparency and, representativeness.

Within the framework of the 2030 National Strategic Health Plan, MIS-PAS is focusing efforts on implementing a Comprehensive Strengthening Project for the First Level of Health Care. This initiative will carry out a gradual intervention with an impact on all 1,348 First Level Centers (CPN) throughout the country. In the first 12 months, the project will improve

the physical structure, technological equipment and health human resources of 30% (404) of all CPNs. Instruments will be provided to guarantee clinical, administrative and, financial effectiveness, as essential tools for quality assurance in the provision of services. Moreover, the network system will rely on referral and counter-referral with the appropriate providers.

This level of care guarantees health by establishing the CPN and the Primary Health Care Units (UNAPS), at a rate of one UNAPS for every 750 families. Each CPN and its corresponding community teams will have a family health operational manual that establishes services to be offered in the basic health plan (PBS) and Family Health File (FSF). This project responds to Agreement Number 7 reached in the National Health Dialogue at the Economic and Social Council.⁵¹

Likewise, the Dominican Republic is working to strengthen the facilities of the second and third levels of care, with the construction, reconstruction, and equipment of hospitals in order to deliver access to quality health care and capacity strengthening in the provision of services.

2.3.4 Gender gaps and inequality

In order to address the needs of Dominican women and to comply with the international commitments of the Dominican Republic for human rights and gender equality, the Do-



minican State, through the Ministry of Women, developed the National Plan for Equality and Gender Equity 2020-2030 (PLANEG III), which addresses key areas such as education for equality, comprehensive health, economic autonomy, social and political participation, gender equality in the environment, gender violence, and the use of digital technologies to promote women's autonomy.

Similarly, with the implementation of public programs, structural changes have been made that aim to serve this group, integrating a gender perspective, considering the impact on children and tackling challenges in issues such as employability, wage gap⁵², and economic challenges

⁵¹ Structuring Project 1.1 Comprehensive Strengthening of Primary Health Care of the [National Strategic Health Plan 2030](#).

⁵² According to the World Bank Dominican Republic Poverty Assessment, women receive lower salaries, especially among low-income workers, being on average 27% lower than those of men.



faced by women heads of household.⁵³ Through Supérate Mujer, the Dominican Republic aims to provide economic support, protection, and security to women who are victims of gender violence. In addition, the Women's Fraternity Network program seeks to support women from families marked by significant levels of social and economic inequalities.

2.3.5 Support for vulnerable groups and criteria for defining the target population

The Government of the Dominican Republic has established the Social Policies Cabinet (GCPS) under the coordination of the Vice Presidency of the Republic, with the purpose of managing the country's social policies. This body is responsible for formulating, executing, monitoring, and assessing programs within the nation's Social Protection System, focusing on the pillars of conditional transfers, human and social development, and economic inclusion.

Single System of Beneficiaries (SIUBEN) is responsible for identifying, characterizing, registering, and prioritizing families in poverty, both in areas designated on the Poverty Map and outside of it. SIUBEN has implemented an operational strategy consisting of ten regional management offices strategically distributed throughout the country.

The information collected feeds the

⁵³ The SIUBEN Socioeconomic Household Study, carried out in 2018, reveals that 39.5% of households headed by women show the with high levels of disadvantage in terms of needs, that is, ICV 1 and ICV 2. The 2018 Third Socioeconomic Household Study (3ESH 2018) is available at the [link](#).



Register of Eligible Households, used to select potential beneficiaries of such programs as Supérate and affiliation to the Subsidized Health Regime. Every four years, SIUBEN conducts a census of all households on the Poverty Map and visits areas outside it to update the Register of Eligible Households.

The SIUBEN identifies and classifies families according to the Quality-of-Life Index (QLI), which is based on 17 socioeconomic, demographic, and vulnerability variables, as well as dimensions of well-being, adjusting the scoring scale within each of the categories according to the specific

region such as rural, urban or metropolitan area. In this way, information is obtained that allows Dominican households to be classified into four categories according to their level of structural poverty:



- **ICV-1: Extreme poverty:** Groups together households with the highest poverty conditions, strongly associated with extreme poverty by monetary measurement.
- **ICV-2: Moderate Poverty:** Groups together poor households that are in better conditions than those in extreme poverty, strongly associated with moderate poverty by monetary measurement.
- **ICV-3: Middle Socioeconomic Stratum:** This category includes households that are not in poverty conditions, but that do not have the best living conditions either, which is why it is associated with the middle-income stratum by monetary measurement.
- **ICV-4: High Socioeconomic**

Stratum: This category includes households having better material living conditions, which is why it is associated with the high-income stratum.

The Household Socioeconomic Survey (ESH) is the main tool to understand the country's socioeconomic reality. Based on the 2018 ESH survey,⁵⁴ it is possible to determine the vulnerability of the population in the ICV-1 and ICV-2 categories.

The SIUBEN conducts the targeting of poverty in two stages: geographical and individual. First, based on the analysis of the Poverty Map, priority geographic divisions are identified according to the quality of life of households, classifying the areas as priority and non-priority. In the second stage, processes are conducted to individually identify households and people in priority areas. All households in these areas are covered without distinction,

⁵⁴ The population surveyed in the 3ESH 2018 conducted by the Single Beneficiary System between 2017 and 2018 was 6,182,098 people, residents in priority areas I and II of the Poverty Map of the Dominican Republic. Available at the [link](#).



Homes in Los Ranchos de Babosico, Sabana Iglesia

highlighting the transparency and inclusiveness of the targeting system.

As part of efforts to combat poverty, direct transfers have been promoted to various segments of the population, focusing especially on those who face extreme vulnerability. As a result of this effort, the Supérate Program was born, which seeks to combat poverty, providing conditional and non-conditional monetary transfers, socio-educational support and access to state services to households included in ICV-1 and

ICV-2.⁵⁵ Supérate⁵⁶ serves as a matrix program encompassing projects and programs focused on: educational inclusion; health, food security and emergency support; living place; women; and family. Among its components we can highlight the Aliméntate, Aprende, Avanza, Familia Feliz, Bonoluz, Bonogas, and Supérate Mujer Programs.

⁵⁵ According to the 3ESH 2018, the 43.4% of households registered in the SIUBEN are categorized as ICV-1 (extreme poverty) or ICV-2 (moderate poverty).

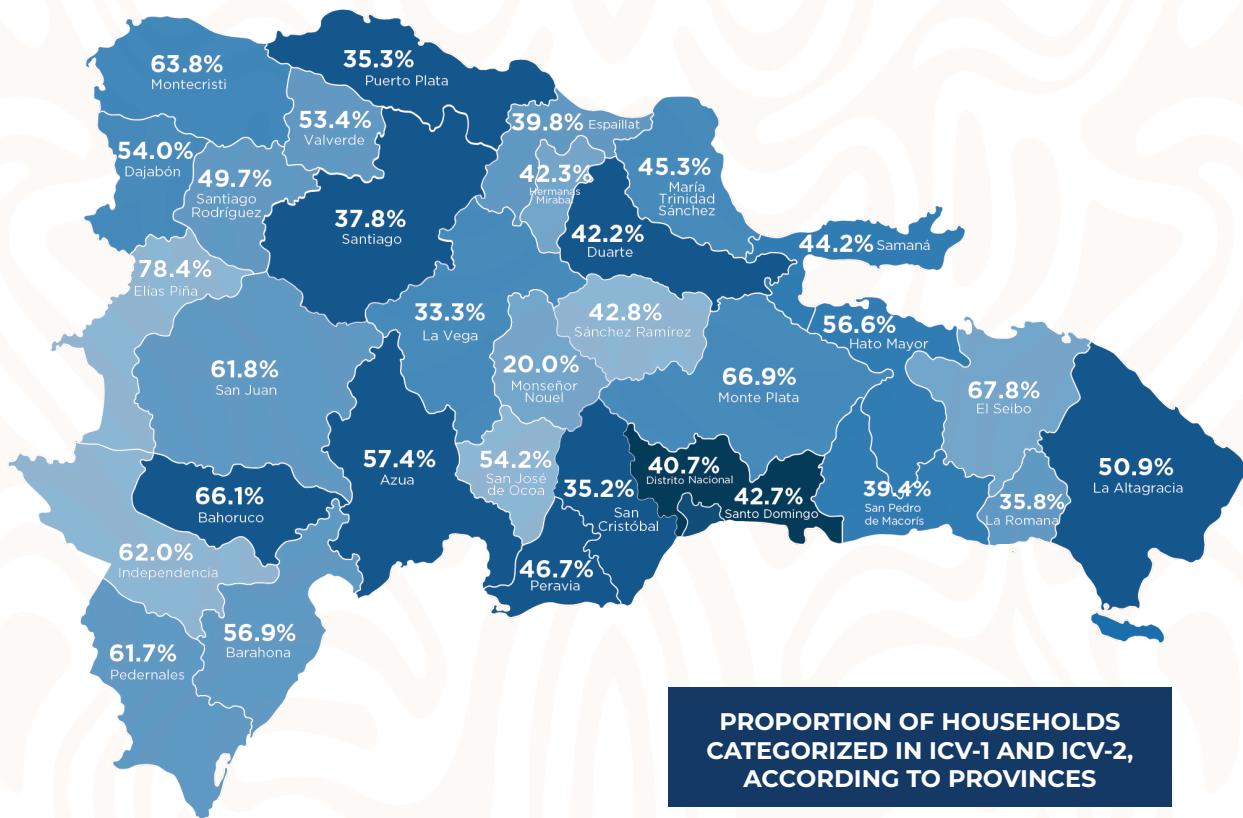
⁵⁶ Program's Institutional Statistics are available at the [link](#).

PROPORTION OF PEOPLE CATEGORIZED IN ICV-1 AND ICV-2 HOUSEHOLDS

43.4%

of the people registered in the SIUBEN reside in households categorized as ICV-1 (extreme poverty) or ICV-2 (moderate poverty).

Graph 2. Proportion of households in ICV 1 and 2 by province



Source: SIUBEN.

BOX 1. Climate change and gender budget classifiers

The General Budget Directorate of the Ministry of Finance (DIGEPRES) has developed a methodology for the implementation of a new functional classifier of spending on climate change and disaster risk management, which was reflected in the 2023 budget formulation. This methodology allows for the identification of public spending trends and their effectiveness in different dimensions, including disaster risk management, such as activities related to the understanding, governance, prevention, response, preparation, and investigation of this risk.

Thanks to the development and application of this methodology, it is identified that, for the 2024 budget year, the General Government will allocate an amount greater than the equivalent of US\$1,000 million in activities linked to climate change, protection of biodiversity, and disaster risk management.

Along these lines, and with the intention of reducing the economic and social gaps between women and men in the Dominican Republic, DIGEPRES in recent years has promoted, together with the Ministry of Women, the implementation of the functional gender classifier, which constitutes a powerful policy instrument that reflects the government's commitment to reducing inequality between men and women. As the budget classifier in climate change and disaster risk management, the functional gender classifier was implemented in the 2023 budget formulation. The equivalent of US\$112 million are estimated for 2024 for activities linked to gender equity. Below is a detail of subfunctions included in these new budget classifiers:

Public Expenditure Classifier	Function	Subfunction
Climate Change and Disaster Risk Management	Climate Change	Mixed
		Mitigation
		Knowledge of climate risk
		Climate disaster risk governance
		Climate risk reduction
		Climate disaster response and recovery
		Other adaptation measures
		Research and development related to climate change
		Planning, management and supervision of climate change
Gender Equity	Gender Equity	Actions focused on women
		Social and public co-responsibility in caring for the family and reproducing the workforce
		Actions for a culture of gender equality
		Prevention actions



3

SUSTAINABLE FINANCE IN THE DOMINICAN REPUBLIC

In line with its commitments to the United Nations Framework Convention on Climate Change (UNFCCC), including the Paris Agreement, the 2030 Agenda for compliance with the SDGs and the Convention on Biological Diversity (CBD), the Dominican Republic is making efforts to link its funding strategy with its climate, environmental, social, and sustainable goals. In order to implement the updated NDC, the Dominican Republic commits to designing its National Climate Financing Strategy, which will include the design and implementation of green, social and sustainability financing instruments to stimulate growth of the national market for climate-resilient and low-carbon economic sectors.

The Ministry of Finance, through the Public Debt Office (CP), by virtue the authority conferred by Law No. 6-06⁵⁷ and being responsible for the design and implementation of the Medium-Term Debt Management Strategy (MTDS), is in charge of assessing and selecting the financial instruments to be used for sovereign bond issuances in accordance with the Dominican Republic's Green, Social and Sustainability Bond Framework.

The current MTDS has been effective in meeting financing needs and mitigating market risks within the public debt portfolio. Local and international capital markets have positively received the four guidelines of the MTDS: i) liability management oper-

⁵⁷ [Law No. 6-06](#).

ations that have reduced refinancing risk; ii) optimization of costs and maturities in new issuances in a challenging international context; iii) diversification of multilateral counterparts; and iv) the gradual reduction of currency risk exposure through the development of the local market makers program and global placements indexed to the DOP.

At the time this Framework was launched, the Ministry of Finance was working on a new MTDS for the 2024-2028 period. This strategy incorporates sustainable bonds as part of the instruments used to cover financing needs, with the intention of establishing a continuous program of green, social, and sustainability bond issuances, which will allow: i) accessing and mobilizing capital for investments with a high impact on sustainability; ii) attracting foreign investment; iii) deepening of the local capital market, and iv) diversifying the investor base of public debt.

This government initiative to diversify financial instruments takes place amid dynamism of Dominican private issuers in the local and international bond markets, and when the Dominican Republic, as sovereign issuer, seeks to continue contributing and providing liquidity and depth to the capital market.

In 2021, the Larimar 1 Public Offering Trust was structured by EGE Haina, with an amount of US\$100.0 million in green bonds in the local market, which have been fully allocated. In the same year, EGE Haina allocated US\$300.0 million in the international markets (5.625% coupon, maturity 2028), in sustainability-linked bonds,

targeting to increase to 526MW the installed capacity of solar and wind energy generation by 2026. Additionally, Banco Popular Dominicano issued in 2024 its first tranche of green bonds with a 10-years maturity for an amount of DOP\$300.0 million, out of a total of DOP\$2,500.0 million approved by the Superintendency of the Securities Market (SIMV), with emphasis on renewable energy, energy efficiency, sustainable mobility, and circular economy.

At the time this Framework was launched, commercial banks such as Banco Múltiple BHD, SA, Banco Caribe and Banfondesa were also in the process of completing all the prior documentation required to obtain financing through this instrument, including external verification of their green bond frameworks with technical assistance from the MMARN. Likewise, Banco ADOPEM has announced the signing of a subscription agreement to issue a gender bond, the first of its kind, which would have a 5-year maturity, for an approximate amount of US\$15.0 million.

Moreover, as mentioned in section 2, the 2023 fiscal risk declaration includes a consideration of climate change related disaster risks,⁵⁸ leading to contingent credit line instruments such as the CAT-DDO, parametric lines of credit, as well as loans whose objective is to strengthen preparedness, response and recovery for disaster risk management, the implementation of early warning and risk prevention systems, among others.

58 Government of the Dominican Republic. (2023). 2023 General State Budget Bill. Available on the [website](#).



BOX 2. Dominican Republic's Green Taxonomy

In 2024, the SIMV and MMARN launched the national Green Taxonomy,⁵⁹ with the support of the International Finance Corporation (IFC) of the World Bank Group. By identifying economic activities and assets, the Dominican Government seeks to promote the mobilization of private sector financial flows and to provide investors, businesses and other stakeholders strategic investment opportunities aligned with the country's environmental goals. This, in turn, will help attract private capital towards environmentally sustainable projects, contributing to the transition to a low-emission, climate resilient, sustainable, and inclusive national economy.

The national Green Taxonomy identifies, classifies and prioritizes, seven economic sectors:

1. Energy
2. Waste management and emissions capture
3. Construction
4. Transport
5. Water supply and treatment
6. Information and communications technologies (ICT)
7. Industrial sector.

These sectors were identified based on their relevance to the Dominican context and the materiality of their contribution to the fulfillment of environmental goals: i) climate change mitigation; ii) adaptation to climate change; iii) water and water resources; iv) ecosystems and biodiversity; v) pollution prevention; and vi) the circular economy.

The taxonomy is aligned with commitments, strategies and policies that are relevant to the Dominican national context, while drawing on international green taxonomies to ensure inter-operability.

59 SIMV and MMARN (2024). Green Taxonomy of the Dominican Republic. Available at the [link](#).



4

DOMINICAN REPUBLIC'S GREEN, SOCIAL, AND SUSTAINABILITY BOND FRAMEWORK

The purpose of this Framework (hereinafter “Framework”) is to describe the Dominican Republic’s commitments and obligations for the issuance of green, social and sustainability sovereign bonds, which will allow financing environmental strategies, sustainable transition and social development in the country.

In addition to the guidelines established in in this Framework, the instruments issued thereunder will comply with the obligations established in Law No. 6-06 of Public Credit and its regulations, as well as the General State Budget Law and the Law on Public Debt Securities in force on the date of issue. The Ministry of Finance, through CP, is the body in charge of im-



Eagles Bay, Pedernales

plementing the Framework and structuring and executing the corresponding issuances.

Payments of principal and interest on the bonds issued under this Framework will be included in the public debt service estimates approved in the General State Budget for each year and will be executed by CP. Investors in bonds issued under this Framework do not bear any risk related to the specific projects indicated for each issuance. Likewise, bonds issued under this Framework will rank *pari passu* with each other and with any other sovereign issue.

This Framework has been developed following the guidelines established in the Green Bond Principles (2021), Social Bond Principles (2023), and the Sustainability Bond Guidelines (2021) of the International Capital Market Association (ICMA). This Framework details the four core components of these Principles:

- a. Use of Proceeds
- b. Process for Expenditure Evaluation and Selection
- c. Management of Proceeds
- d. Reporting

4.1 USE OF PROCEEDS

The net proceeds⁶⁰ of any issuance of green, social or sustainability sovereign bonds by the Dominican Republic will be used to finance eligible expenditures in the General Budget of the Dominican State for the period in which they are issued.

The Ministry of Finance will recognize⁶¹ or associate⁶² an amount equal to the net proceeds received from any issuance made under this Framework to Eligible Expenditures from two previous fiscal years (Recent Expenditure), the fiscal year corresponding to the issuance (Current Expenditures) and the two following fiscal years (Future Expenditures). The above does not imply a direct association, nor does it constitute a new budget source.

60 The net funds of the issue are understood to be the nominal value of the bond multiplied by the price, discounting commissions and expenses associated with the issue.

61 Recognition of expenses is understood as associating thematic bond resources to recent expenses that does not imply a direct allocation of funds or constitute a new budgetary source.

62 Expenditure association is understood as associating thematic bond resources to current or future expenditures that does not imply a direct allocation of funds or constitute a new budgetary source.

For each bond and prior to issuance, the Government will communicate the estimated percentage of Recent Expenditures to be recognized with the issuance of the bond and the estimated period in which the majority of the expenditures will be associated. The Dominican Republic intends to associate at least 50% of the issuance of each security with Current Expenditures or Future Expenditures and the remainder with Recent Expenditures.

Eligible Expenditures

In this Framework, Eligible Expenditures are understood as the portfolio or list of expenditures and investment for projects and programs contemplated in the General Budgets of the Dominican State that comply with the Eligibility Criteria for Green Expenditures and/or the Eligibility Criteria for Social Expenditures contemplated in this Framework. Expenditures financed exclusively by specific-purpose sources, own resources, internal or external donations or third-party sources contemplated in the General Budget are excluded.

Eligible Expenditures may include:

- Tangible capital expenditure (infrastructure, equipment, technology, land, and energy);
- Intangible assets (research and innovation, human capital, and organization);
- Tax expenditure and subsidies;
- Transfers in support of local governments, public agencies, private or

public companies, educational and research institutions, households, and individuals.

Criteria for the classification of Eligible Green Expenditures

Eligible Green Expenditures must be related to at least one of the Green Categories and contribute to the fulfillment of the goals of the END of the Dominican Republic or at least one of the following environmental goals:



- Climate change mitigation
- Adaptation to climate change
- Water and water resources management
- Protection, conservation and restoration of ecosystems and biodiversity
- Contamination prevention
- Circular economy

Eligible Expenditures will be examined to ensure that they do not negatively impact any of the aforementioned goals, in addition to other social aspects, in line with what is stated in the “Environmental and Social Risk Management” section.

Green Categories

The table below presents a description of the categories of Eligible Green Expenditures, types of indicative expenditures⁶³ that may qualify as Eligible Green Expenditures, including direct and indirect benefits. Nine categories have been identified, which are aligned with the general goals of the END 2030, the NDC-2020 with its updates, the SDGs and the PNACC.

Table 1. Green Categories

Green Categories	Description and Direct and Indirect benefits	Actions within the Government plan
<p>Low carbon transport</p>  	<p>Financing and/or refinancing of expenditures related to:</p> <ol style="list-style-type: none"> Design, planning, construction, operation, maintenance, rehabilitation, expansion and renewal of infrastructure, equipment and fleet of clean urban public transport without direct emissions, including: <ul style="list-style-type: none"> Light rail trains (e.g. monorails) Metros Trams, electric buses Railways⁶⁴ Cable cars Electric rapid transit buses Intermediate buses or electrical feeders Design, planning, construction, operation, maintenance, rehabilitation, expansion, and renewal of infrastructure, dedicated lanes and equipment for active mobility (e.g. walking, cycling, electric bicycles and electric scooters) . Construction, operation, maintenance, expansion and renovation of infrastructure for low- carbon⁶⁵ and zero-emission transportation, including electric charging points and improvements to the connection to the electrical grid. Tax incentives for the acquisition of electric vehicles. <p><i>Direct and indirect benefits: Mitigation of climate change; Improved air quality.</i></p>	<p>National Development Strategy</p> <p>3.3 – Competitiveness and innovation in an environment favorable for cooperation and social responsibility</p> <p>4.3 – Adequate adaptation to climate change</p> <p>Nationally Determined Contribution</p> <p>Road Transport (measures 17 to 27)</p>





⁶³ The expenditures included in the table are for illustrative purposes and are not an exhaustive list. Any expenditures from the General Budget of the Dominican State that meet the classification criteria for Green Expenditures is likely to be eligible under this Framework.

⁶⁴ Rail transport is eligible when the rolling stock has zero direct emissions.

⁶⁵ Only infrastructure that is essential for the operation of the transportation service will be considered. No investments will be used to finance or refinance the infrastructure dedicated to fuel transportation.



Santiago Cable Car, Santiago de los Caballeros

<p>Renewable energy</p> <p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>13 CLIMATE ACTION</p> 	<p>Financing and/or refinancing of expenditures related to:</p> <ol style="list-style-type: none"> 1. Development of renewable energy sources, such as: <ul style="list-style-type: none"> · Photovoltaic Solar Energy⁶⁶ · Wind power⁶⁷ · Hydroelectric power (under 25 MW)⁶⁸ 2. Transmission and storage infrastructure dedicated exclusively to supporting renewable energy generation systems eligible for this Framework. 3. Energy storage related to the integration of investments in renewable energy or smart grids. ⁶⁹ 4. Tax incentives to encourage the use and commercialization of renewable energy sources eligible for this Framework. ⁷⁰ <p><i>Direct and indirect benefits: Climate change mitigation; Improve efficiency in the transmission, and storage of renewable energy; Reduction of dependence on non-renewable resources.</i></p>	<p>National Development Strategy</p> <p>3.2 – Reliable, efficient and environmentally sustainable energy</p> <p>4.3 – Adequate adaptation to climate change</p> <p>Nationally Determined Contribution</p> <p>Electrical generation (measures 1 – 8)</p>
--	--	---

66 Solar installations must have no more than 15% of electricity generated from non-renewable sources. Expenses related to the production of electricity from photovoltaic solar energy will be considered eligible only when: (i) durability and ease of disassembly, separability through accessibility and interchangeability of components, rehabilitation and recycling are guaranteed or (ii) it has an Environmental Management Instrument that includes a Closure Plan or Abandonment Plan.

67 Wind facilities must have no more than 15% of electricity generated from non-renewable sources. Expenditures related to the production of electricity from wind energy will be considered eligible only when: (i) recycling at the end of its useful life is guaranteed based on waste management plans or decommissioning processes; for example, with contractual agreements or (ii) has an Environmental Management Instrument that includes a Closure Plan or Abandonment Plan.

68 The facilities operate with life cycle emissions of less than 100g CO₂ e/kWh.

69 These technologies include but are not limited to: i) mechanical: pumped hydroelectric energy storage (PHES), compressed air energy storage (CAES); ii) thermal and thermochemical: sensible heat or latent heat, energy by absorption; iii) chemistry: storage in the form of oxygen or hydrogen gas, and iv) energy storage systems, including Battery Energy Storage Systems (BESS).

70 Projects and/or investments to promote the use and commercialization of renewable energies granted and/or authorized by the National Energy Commission (CNE) under the protection of Law No. 57-as amended. May include, but is not limited to, generation, storage and use. Law available at the [link](#).





<p>Adaptation to climate change</p> <div data-bbox="196 289 368 459"> </div> <div data-bbox="196 483 368 653"> </div>	<p>Financing and/or refinancing of expenditures in areas with high or very high vulnerability ⁷¹ to climate change, related to:</p> <ol style="list-style-type: none"> 1. Measures and actions that reduce climate risk and contribute to compliance with the PNACC (National Plan for Adaptation to Climate Change) 2. Design, construction, operation, and maintenance of technological infrastructure for the management, analysis of hydrometeorological information and monitoring systems, such as smart grids, drought early warning systems, flood early warning systems and water quality control processes and forest fire monitoring systems. 3. Research and/or studies on climate risk in prioritized sectors, in line with the NDC. 4. Nature-based infrastructure that integrates elements such as mangroves, planting dune vegetation, coastal reefs, riparian vegetation, reforestation in reservoir areas, as well as technical advice for preparation, response and recovery associated with disasters related to extreme climate events.⁷² 5. Defense systems against river floods, including the construction of reservoirs to control water flows.⁷³ 6. Development and distribution of officially released seeds for crops that are more resistant to the impacts of climate change, using conventional breeding or CRISPR technology.⁷⁴ Eligible traits include drought and flood tolerance as well as pest resistance. 7. Information technology and information services, for example, climate information services, monitoring and evaluation (M&E) imaging systems, soil analysis tools and climate monitoring services. 8. Training in resilient and climate-adapted agricultural techniques. 9. Studies, research and initiatives that strengthen institutional and regulatory capacity for resilient and climate-adapted agricultural techniques. <p><i>Direct and indirect benefits: Increased resilience against extreme climate events; Improve the prediction and monitoring of climate events; Reduce human and economic losses associated with extreme weather events; mitigate the risk of flooding.</i></p>	<p>National Development Strategy</p> <p>3.5 – Sectoral and territorially articulated productive structure, competitively integrated into the global economy and that takes advantage of the opportunities of the local market</p> <p>4.1– Sustainable environmental management</p> <p>4.2 – Effective risk management to minimize human, economic and environmental losses</p> <p>4.3 – Adequate adaptation to climate change</p> <p>National Plan for Adaptation to Climate Change</p> <p>Transversal between the six strategic axes of the PNACC</p>
---	---	--

⁷¹The definition of these zones is based on the Report on critical points for vulnerability to variability and climate change in the Dominican Republic and its adaptation to it, available at the [link](#).

⁷² The projects will not generate a net impact on GHG emissions. The criteria and principles established within Law No. 147-02 on Risk Management and Territorial Planning will be taken into account, available at the [link](#).

⁷³ The projects will not generate net negative environmental impact and must comply with a management plan and environmental permit in accordance with Law No. 64-00.

⁷⁴CRISPR is a simple tool for editing genomes and stands for Clustered Regularly Interspaced Short Palindromic Repeats. It allows researchers to easily alter DNA sequences and modify gene function.

<p>Natural resources, land use and protected marine areas</p>    	<p>Financing and/or refinancing of expenditures related to:</p> <ol style="list-style-type: none"> 1. The conservation, prevention of degradation, restoration, and sustainable management of, but not limited to, forests, watersheds, mangroves and coastal marine resources. 2. Support for sustainable forest development:⁷⁵ commercial management of natural forests in a sustainable manner for the wood production that are certified by the Forest Stewardship Council (FSC) or the Program for the Endorsement of Forest Certification (PEFC) and that have a Sustainable Management Plan⁷⁶. 3. Management, control, surveillance, and maintenance of national parks, nurseries, botanical gardens, seed banks, scientific reserves and other protected areas. 4. Programs and projects that contribute to the implementation of the REDD+ Action Plan, as well as the reduction of emissions due to deforestation or forest degradation⁷⁷. 5. Studies, research and initiatives that strengthen institutional and regulatory capacity for the protection and restoration of terrestrial, freshwater, coastal and marine ecosystem systems, as well as biodiversity, natural habitats, sustainable agroforestry systems, soils and their respective ecosystem services. 6. Infrastructure supporting and linked to the forest sector supply chain and the initial transformation of the wood of the projects eligible under this Framework: <ul style="list-style-type: none"> · Machinery and equipment to manage ecosystems and/or lands · Storage · Information systems and other technologies 7. Protection and surveillance activities of marine protected areas. 8. Establishment, expansion and/or operation of agricultural production units, which consider lands used for agroforestry systems with Management Programs⁷⁸. <p><i>Direct and indirect benefits: Climate change mitigation; Promotion of ecosystem sustainability.</i></p>	<p>National Development Strategy</p> <p>3.5 – Sectoral and territorially articulated productive structure, competitively integrated into the global economy and that takes advantage of the opportunities of the local market</p> <p>4.1– Sustainable environmental management</p> <p>4.3 – Adequate adaptation to climate change</p> <p>Nationally Determined Contribution</p> <p>AFOLU sector (measures 32 – 41)</p> <p>National Plan for Adaptation to Climate Change</p> <p>Strategic Pillar 4: Increasing the resilience of ecosystems, biodiversity and forests</p>
--	---	--

⁷⁵ It does not include the acquisition of land for commerce and/or forest management.

⁷⁶ Projects must promote GHG mitigation through the reduction of net GHG emissions, carbon sequestration or capture.

⁷⁷ Projects must apply the Forest Carbon Partnership Fund (FCPF) methodological standard and those of the United Nations Framework Convention on Climate Change (UNFCCC), in addition to complying with the Cancún Safeguards.

⁷⁸ No financial support or incentives will be granted for activities on forest lands whose change in land use has not been authorized by the competent authority. Projects must comply with the provisions of Law No. 64-00 on the Environment and Natural Resources, available at the [link](#), and Law No. 368-22 on Territorial Planning, Land Use and Human Settlements, available at the [link](#).



Conservation of terrestrial and aquatic biodiversity



Financing and/or refinancing of expenditures focused on conservation, preservation, restoration, and protection of terrestrial and aquatic biodiversity (including the protection of coastal, marine and watershed environments) and their ecosystem systems, including:

1. The conservation of living and non-living resources existing in terrestrial and maritime spaces in accordance with the management plan of each area, such as native and exotic forests, national parks and conservation areas, mangroves and coral reefs.
2. Studies, research and initiatives that strengthen institutional and regulatory capacity for the conservation, protection, and recovery of terrestrial, aquatic and marine biodiversity and availability of ecosystem services.
3. Programs and/or projects to promote the production of marine data, products and metadata, standardized and harmonized and with quality assurance, to improve the availability of public and private users who depend on marine data.
4. Training and initiatives that seek to educate and raise awareness on biodiversity conservation issues.




Direct and indirect benefits: Promotion of the sustainability of ecosystems; Habitat preservation.

National Development Strategy

4.1- Sustainable environmental management

National Plan for Adaptation to Climate Change

Strategic Pillar 4: Increasing the resilience of ecosystems, biodiversity and forests

<p>Efficient and resilient management of water and wastewater</p> <div data-bbox="167 384 337 552"> <p>6 CLEAN WATER AND SANITATION</p>  </div> <div data-bbox="167 573 337 741"> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  </div> <div data-bbox="167 762 337 930"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div>	<p>Financing and/or refinancing of expenditures related to the construction, operation, maintenance, expansion, and adaptation for the efficient management of water and wastewater,⁷⁹ as well as guaranteeing water supply, including:</p> <ol style="list-style-type: none"> 1. Water storage, including, but not limited to: <ul style="list-style-type: none"> · rainwater collection systems, stormwater management systems, water distribution systems, infiltration ponds, aquifer storage.⁸⁰ · groundwater recharge systems, sewage systems connected to treatment systems, as well as the operation of pumping stations and monitoring of well systems. 2. Infrastructure and systems that improve the efficient and sustainable management of water and wastewater. 3. Installation or improvement of wastewater infrastructure, including conveyance, treatment and disposal systems. 4. Management and restoration of water resources, including the protection of water catchment areas and the prevention of pollution affecting water supplies (e.g. watershed sanitation). 5. Conservation, rehabilitation and modernization of hydro-agricultural infrastructure (e.g., irrigation systems).⁸¹ <p><i>Direct and indirect benefits: Adaptation to climate change; Improving water quality and reducing pollution; Promotion of access to water; Improved water security.</i></p>	<p>National Development Strategy</p> <p>4.1– Sustainable environmental management</p> <p>Nationally Determined Contribution</p> <p>Waste Sector (measures 42 – 46)</p> <p>National Plan for Adaptation to Climate Change</p> <p>Strategic Pillar 1: Improving water security and food security</p> <p>Strategic Pillar 2: Promoting the built environment and climate-proof infrastructure</p>
--	---	---

⁷⁹ The projects will not generate a net impact on GHG emissions.

⁸⁰ Reduce losses in the network segment by at least 20%, compared to the historical benchmark performance averaged over three years for the asset.

⁸¹ Seeking to increase efficiency in water use, adopting irrigation techniques that will allow saving water resources, such as controlling the amount of water used, avoiding losses in the irrigation system or water retention methods, among others. Additionally, losses should decrease by at least 20% in the network segment, compared to the historical benchmark performance averaged over three years for the asset.



<p>Sustainable waste management</p> <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>13 CLIMATE ACTION</p>	<p>Financing and/or refinancing of Expenditures related to:</p> <ol style="list-style-type: none"> 1. Design, construction, operation, maintenance, expansion and renovation of facilities for the collection⁸², classification, selection and elimination of non-hazardous waste, with the aim of preparing it for reuse and/or recycling. 2. Green waste processing facilities to produce compost for use in agricultural, municipal or consumer fields⁸³. 3. Programs to promote the circular economy and reduce pollution from single-use plastics. 4. Tax incentives to promote the reduction, reuse, recycling, recovery and use of waste⁸⁴. 5. Training and awareness programs for the circular economy, as well as responsible production and consumption. <p><i>Direct and indirect benefits: Mitigation of climate change; Avoid resources waste; Pollution reduction; Promotion of the circular economy.</i></p>	<p>National Development Strategy</p> <p>2.5 – Decent housing in healthy environments</p> <p>4.1– Sustainable environmental management</p> <p>Nationally Determined Contribution</p> <p>Waste Sector (measures 42 – 46)</p>
---	---	--

82 Includes non-hazardous materials with high recycling potential such as paper, cardboard, glass, non-hazardous plastics, among others. In the case of glass, the products are returned to their original use without the need for any additional pre-processing.

83 They must comply with zero measurable methane emissions and the resulting products must not be dumped' in landfill sites.

84 In keeping with article 46 of Law No. 225-20 on Comprehensive Management and Co-processing of Solid Waste, as amended, under which the terms of the granting of incentives are established to promote the reduction, reuse, recycling, valorization and use of the waste. Law available at the [link](#).





Eco-Housing with solar panels, Azua

Green buildings



Financing and/or refinancing of expenditures for the construction and equipment of ecological homes and urban development related to:

1. Remodeling of existing buildings that generate a reduction in energy demand of at least 20% compared to the performance of the building prior to the remodeling.
2. Construction of new buildings that generate a reduction in energy demand of at least 20% compared to similar buildings⁸⁵ and that have the following certifications:
 - LEED (Leadership in Energy & Environmental Design) (gold or higher)
 - EDGE (Excellence in Design for Greater Efficiencies) (level 2 or higher)
 - HQE International (excellent or better)
 - BREEAM (very good or better)
 - Living Building Challenge (imperative, petal or full living product certification)
 - Other equivalent or more ambitious national certifications supported by an independent audit.
3. The modernization of existing buildings that achieves one of the certification standards recognized by this Framework within a time horizon of 3 years.
4. Tax incentives to encourage the construction or modernization of buildings that meet the criteria established in this Framework.

Direct and indirect benefits: Mitigation of climate change; Energy saving; Saving water.

National Development Strategy

2.5 – Decent housing in healthy environments

4.1– Sustainable environmental management

Nationally Determined Contribution





Energy efficiency (measures 9 – 16)

National Plan for Adaptation to Climate Change

Strategic Pillar 2: Promoting the built environment and climate-proof infrastructure

Strategic Pillar 3: Promoting healthy and resilient communities

⁸⁵ In terms of square meters in dimension or type (residential, commercial and/or mixed).

<p>Energy efficiency</p> <div>     </div>	<p>Financing and/or refinancing of Expenditures related to improving energy efficiency, including⁸⁶.</p> <ol style="list-style-type: none"> Infrastructure, studies, design, equipment, installation, and quantification of emissions reduced by the use of these technologies according to their current performance: <ul style="list-style-type: none"> Electrical and lighting fixtures, including replacement of existing street lighting with new efficient lighting fixtures and systems; For example, replacement with LED technology, which produces savings of more than 20%. Energy efficiency equipment or systems in public buildings that produce savings of more than 20%; This includes (but is not limited to) retrofitting, thermal insulation and/or air conditioning system upgrades. Tax incentives for the acquisition of equipment and technologies for energy efficiency projects eligible under this Framework. <p><i>Direct and indirect benefits: Mitigation of climate change; Electric energy saving.</i></p>	<p>National Development Strategy</p> <p>3.2 – Reliable, efficient and environmentally sustainable energy</p> <p>4.3 – Adequate adaptation to climate change</p> <p>Nationally Determined Contribution</p> <p>Energy efficiency (measures 9 – 16)</p>
---	---	--

⁸⁶No electrical appliance, lighting, equipment, and/or system that seeks energy savings uses or is related to fossil fuels.

Criteria for the classification of Eligible Social Expenditures

Eligible Social Expenditures must be related to at least one of the Social Categories, address one or more Target Populations and contribute to at least one of the following social goals or those goals prioritized in the 2030 END:

- Poverty reduction
- Competitiveness and innovation
- Quality education for all
- Comprehensive health and social security
- Decent housing in healthy environments
- Equal rights and opportunities

- Territorial cohesion
- Contribution to gender equality

Social Categories

The table below presents the categories of Eligible Social Expenditures, indicative types of Expenditures⁸⁷ that may qualify as Eligible Social Expenditures and target population. Eight categories have been identified which are aligned with the general goals of the END and the SDGs.

⁸⁷ The expenditures included in the table are for illustrative purposes and are not an exhaustive list. Any expenditure from the Dominican State General Budget meeting the classification criteria for Social Expenditures is likely to be eligible under this Framework.



Mi Vivienda plan, Hato del Yaque

Table 2. Social Categories

Social Category	Eligibility Criteria Eligible Expenditures and Target Population	Contributions to the END
<p>Security and sustainable food systems</p> 	<p>Target population: Households classified as extreme and moderate poverty by SIUBEN; Children and adolescents; Young people between 14 and 24 years old disengaged from the Educational System and outside the labor market; Family farmers and rural population classified according to their ICV within the Poverty Map.</p> <p>Financing and/or refinancing of expenditures related to:</p> <ol style="list-style-type: none"> 1. Financial support to eligible households for the purchase of food from a basket of prioritized goods in the establishments of the Social Supply Network (RAS) and for the acquisition of proteins and other supplements for the nutrition of vulnerable groups. 2. Support for pre-university students through school food and nutrition services, particularly the most vulnerable children in the public education system. 3. Programs and/or projects to provide adequate, healthy and nutritious food to the vulnerable population. 4. Promote the sustainability of food production systems, with resilient agricultural practices (for example, Family Farming Program). 5. Subsidies to support the production of basic foods by family farmers. <p><i>Direct and indirect benefits; Guarantee food security; Prevent diseases related to malnutrition.</i></p>	<p>2.2 – Health and comprehensive social security</p> <p>2.3 – Equal rights and opportunities</p>



Access to and permanence in quality education



Target population: Pre-university student community (children and adolescents); University community and young people in the most vulnerable vocational technical training in the public educational system, graduates of schools located on the Poverty Map.


Financing and/or refinancing of expenditures related to:

1. Construction, expansion and improvement of childcare centers and public-school facilities for initial, basic, middle and secondary education; and public university centers and higher education student residences.
2. Support to pre-university students through social support and health services, as well as monetary incentives to promote increased years of schooling and prevention of school dropouts.
3. Attention and support for the educational reintegration of children and adolescents that dropout from the system.
4. Access to student transportation for the pre-university community to travel between homes and schools and other educational and technical-vocational training centers.
5. Monetary incentive for low-income university students⁸⁸.
6. Educational scholarship support program for the most vulnerable university community in the public education system.
7. Teachers and public education professionals training and professional development.
8. Acquisition of hardware equipment for public education purposes.
9. Support to public universities with a student community that is mostly low-income.

Direct and indirect benefits: Creation of safe learning environments; Improved access to quality education.

2.1 – Quality education for all

⁸⁸ Coming from the low-income strata of Dominican society, graduates of schools located on the Poverty Map, who are enrolled in any of the Centers of the Autonomous University of Santo Domingo (UASD) to pay university tuition, purchase books and study supplies.

<p>Access to comprehensive and quality health care</p> 	<p>Target population: General population; Households classified as extreme and moderate poverty by SIUBEN; Inhabitants of territories subject to risk of medical desertification.</p> <p>Financing and/or refinancing of expenditures related to:</p> <ol style="list-style-type: none"> 1. Programs and/or projects of essential public and subsidized health services⁸⁹, related to the development of the health network and/or preventive and curative mechanisms. 2. Provision of medications, equipment, health supplies, and laboratory reagents. 3. Construction, restoration, expansion, renovation of public hospitals, Primary and Ambulatory Care Units (UNAP), First Level Care Centers (CPN), Provincial Health Directorates (DPS), medical institutes and other health and comprehensive care centers⁹⁰. 4. Public programs for the prevention, care and treatment of addictions and sexually transmitted diseases, for populations with and at higher risk of HIV/AIDS. 5. Supply or distribution of equipment, medicines and medical supplies to face and control health emergencies and pandemics . 6. Prevention and Control of Endemic Diseases (such as dengue). 7. Support to public health professionals through the purchase of material, mobility and training. 8. Research and technological development related to public health. 9. Preventive health programs (health promotion programs), health as a lifestyle (school health, school and community sports programs) and mental health. 10. Programs focused on reducing morbidity and mortality from non-communicable diseases. <p><i><u>Direct and indirect benefits:</u> Improve the general health of the population; Strengthen the efficiency, precision and scope of medical services; Develop a rapid and effective response to health emergency situations.</i></p>	<p>2.2 – Health and comprehensive social security</p>
--	--	---

⁸⁹ Citizens affiliated with the Subsidized Social Security Regime, which protects self-employed workers with unstable incomes below the national minimum wage, as well as the unemployed, disabled and indigent.

⁹⁰ All institutions making up the National Public Health System: hospitals, sub-centers and Primary Care Units of the Ministry of Public Health.

Access to essential services and affordable basic infrastructure



Target population: Households classified as extreme and moderate poverty by SIUBEN; People from low-income families in rural areas located on the Poverty Map.

Financing and/or refinancing of expenditures related to:

1. Construction, rehabilitation, expansion, and improvement of aqueducts, supply systems and distribution networks of drinking water.
2. Financial support for the payment of electric energy service.
3. Construction and improvement of roads to provide access to the population in rural areas that lack connectivity or infrastructure of essential basic services.
4. Construction, reconstruction, and rehabilitation of infrastructure for disaster preparedness, response and recovery related to extreme weather events.⁹¹
5. Development of transmission and distribution infrastructure allowing the population located in rural areas to connect to the electricity network.
6. Deployment of telecommunications equipment, fixed systems or mobile broadband for internet and connectivity to provide access to areas at risk of digital exclusion .
7. Creation of infrastructure and programs to increase financial inclusion, through access to financing and financial services.
8. Programs to strengthen access to financial education and consumer protection.
9. Construction of new public bank branches in isolated rural areas.
10. Development and strengthening of digital payment systems.

Direct and indirect benefits: Guaranteed access to drinking water, sanitation and electricity; Improved living conditions of vulnerable populations.

2.3 – Equal rights and opportunities

91 The criteria and principles established within Law No. 147-02 on Risk Management and Territorial Planning will be taken into account, available at the [link](#).





Familia Feliz Project Don Marcelo 1, Azua

Access to inclusive and socially integrated housing



Target population: Households classified as extreme and moderate poverty by SIUBEN; Families from vulnerable social segments, with emphasis on female heads of household, and whose maximum monthly income amounts to up to 5 minimum wages that apply to the My Housing Plan and the Happy Family Housing Plan.

Financing and/or refinancing of expenditures related to:

1. Construction, improvement, and rehabilitation of social and low-cost housing to deliver to families in quantitative and qualitative housing deficit and in vulnerable social segments, multidimensional poverty and/or more exposed to extreme climate events.⁹²
2. Construction and improvement of community infrastructure (squares and community centers) and complementary works for the community development of sociocultural programs.⁹³
3. Monetary subsidy for the purchase of decent and own housing (for example, My Housing Plans and Happy Family Housing).
4. Construction, improvement and equipment of buildings and sustainable urban development in their surroundings for families in conditions of extreme poverty (for example, Eco-housing and eco-habitats Program).⁹⁴

Direct and indirect benefits: Improved living conditions of vulnerable populations.

2.5 – Decent housing in healthy environments

⁹² The criteria and principles established within Law No.147-02 on Risk Management and Territorial Planning will be considered; available at the [link](#).

⁹³ Population below 10 thousand inhabitants (community centers).

⁹⁴ Homes made with recycled materials and plastics collected from cleaning the ravines, in line with the principles of the 5 R's (reduce, reuse, recycle, recover and responsibility) and electricity generated with solar energy.



Employment generation, promotion of competitiveness



Target population: Households classified as extreme and moderate poverty by the SIUBEN, with emphasis on young people and women heads of household; Family farmers and rural population; Micro, small and medium enterprises (MSMEs)⁹⁵.

Financing and/or refinancing of expenditures related to:



1. Programs that promote financial support, technical assistance and training for MSMEs and small rural producers.
2. Support for the generation of employment and entrepreneurship of the vulnerable population, for example, programs to promote first jobs and youth employment and programs to include small rural producers in public procurement value chains.
3. Programs and/or projects designed to prevent and/or alleviate unemployment and/or strengthen resilience to climate change and natural disasters.
4. Support the promotion of professional technical training appropriate to the needs of territorial development and local demand in the labor market.
5. Construction, expansion, rehabilitation, and improvement of institutes for technical training.
6. Promote the creation of jobs in sustainable community tourism, which promotes local culture and products.
7. Projects to promote self-sufficiency, income generation and business management.
8. Training programs for small and medium farmers to increase efficiency and productivity in their crops.

Direct and indirect benefits: Reduce and prevent unemployment; Contribute to the sustainability and continuity of MSMEs; Promotion of innovation and competitiveness.

3.4 – Sufficient and decent jobs



3.5 – Sectoral and territorially articulated productive structure, competitively integrated into the global economy and that takes advantage of the opportunities of the local market

⁹⁵ According to Decree No. 404-19, MSMEs are classified according to the following margins: microenterprises, with 10 employees with annual gross sales of up to RD\$8,000,000; small businesses, from 11 to 50 employees with annual gross sales of up to RD\$54,000,000; and medium-sized companies, from 51 to 150 employees with annual gross sales of up to RD\$202,000,000. Decree available at the [link](#).

<p>Socioeconomic advancement and reduction of inequalities</p>  	<p>Assistance to people in situations of extreme socio-economic vulnerability</p>	<p>Target population: Households classified as extreme and moderate poverty by SIUBEN.</p> <p>Financing and/or refinancing of expenditures related to</p> <ol style="list-style-type: none"> 1. Programs to promote comprehensive development and improvement in the income levels of vulnerable people who are below the poverty line, through economic support and coverage of the primary needs of food, health and shelter. 2. Programs and/or projects that grant access to technology to excluded populations. 3. Psychoeducational assistance to people or groups in situations of extreme socioeconomic vulnerability. 	<p>2.3 – Equal rights and opportunities</p>
	<p>Social protection for children and adolescents</p>	<p>Target population: Children and adolescents (C&A) ⁹⁶.</p> <p>Financing and/or refinancing of expenditures related to:</p> <ol style="list-style-type: none"> 1. Programs and/or projects that promote protection, ensure comprehensive care and development of early childhood, pedagogical, psychosocial and nutritional support, violence prevention, abuse and mistreatment of children and adolescents, including psychological, therapeutic and psychiatric care. 2. Support to guarantee the fundamental rights of children and adolescents.⁹⁷ 3. Support to young people without prenatal care. 4. Accompaniment of children and adolescent victims of gender or domestic violence. 5. Support to adolescents prone to conflict, as well as at substantial risk of recidivism in conflict, or high social risk environments. 	<p>2.3 – Equal rights and opportunities</p>

⁹⁶ According to Law No. 136-03, a child is considered to be any person from birth to twelve years of age, inclusive; and adolescent, any person from the age of thirteen until reaching the age of majority, that is, 18 years. Law available at the [link](#).

⁹⁷ The main institution in charge of guaranteeing the fundamental rights of children and adolescents in the Dominican Republic is the National Council for Children and Adolescents (CONANI), through the effective guidance of policies regarding children and adolescents. Among its main services are temporary homes for children and adolescents in situations of personal, family or social risk, and whose environment does not guarantee their safety, as well as the execution of training on fundamental rights, positive parenting and violence prevention, among others.

<p>Socioeconomic advancement and reduction of inequalities</p>  	Older adults protection	<p>Target population: Adults over 65 years of age⁹⁸ in poverty.</p> <p>Financing and/or refinancing of expenditures aimed at guaranteeing the fundamental rights of the older adults⁹⁹, including:</p> <ol style="list-style-type: none"> 1. Financial assistance for food support for older adults in poverty. 2. Permanent long-term housing and care and providing comprehensive care to older adults. 3. Construction and rehabilitation of Elderly Care Centers. 4. Programs that guarantee the provision of health and social security services for older adults. 	2.3 – Equal rights and opportunities
	People with disabilities	<p>Target population: People with disabilities¹⁰⁰.</p> <p>Financing and/or refinancing of expenditures aimed at guaranteeing equal rights and the elimination of all forms of discrimination towards people with disabilities¹⁰¹, including:</p> <ol style="list-style-type: none"> 1. Financial support for households with people with disabilities (for example, resources granted from the National Fund for Children and Adolescents with Disabilities). 2. Programs and/or projects that promote employment for people with disabilities. 3. Development of tools and training for entities, families and environments that support people with disabilities. 4. Construction of Care Centers for people with disabilities. 5. Actions for the integration of people with disabilities such as the evaluation of the accessibility of spaces and services, and their adaptation¹⁰². 6. Programs and investments to increase the capacity of the formal educational system for people with disabilities, whether mild or severe. 	2.3 – Equal rights and opportunities

98 Any person over 65 years of age, or younger, who, due to the aging process, experiences progressive changes from a psychological, biological, social and material point of view in accordance with Law No. 352-98 on the Protection of the Elderly. Law available at the [link](#).

99 The National Council for the Aging (CONAPE) is the entity responsible for designing national policies in favor of the elderly. Its objective is to ensure comprehensive protection for older persons, their rights to an active, productive and participatory life, where their dignity, freedom, family and community coexistence, recreation, culture and equality are respected. For more information, visit the [website](#).

100 Any person who has long-term physical, mental, intellectual or sensory deficiencies that, when interacting with various barriers, may prevent their full and effective participation in society, on equal terms with others in accordance with Law No. 5-13 on Disability in the Dominican Republic. Law available at the [link](#).

101 The National Disability Council (CONADIS) is the entity in charge of guaranteeing equal rights and the elimination of all forms of discrimination towards people with disabilities, through the effective guidance of disability policies.

102 The main objective of the National Accessibility Assessment System (SINAC) is to facilitate the measurement of compliance processes with everything related to Universal Accessibility contemplated in the UN Convention on the Rights of Persons with Disabilities. For more information consult the following [website](#).

Closing the gender gap, reducing inequalities and empowerment



Target population: women, girls, young people, pregnant women, infants.

Financing and/or refinancing of expenditures related to:

1. Programs and/or projects aimed at: i) reducing gender gaps in the workplace, promoting equal access to opportunities, equal pay and legal protection for women.
2. Strengthen female entrepreneurship, increasing their productivity, eliminating legal, social and economic barriers that prevent their empowerment and improving access to credit for MSMEs led by women.
3. Recognize, reward, reduce and redistribute unpaid care tasks.
4. Programs and/or projects aimed at providing support and training on issues related to the human rights of women so that they can identify situations of violence.
5. Economic support, protection, accompaniment support to women victims of gender violence and sexual exploitation and families that welcome orphans due to feminicide.
6. Construction of comprehensive care centers for women, CEDI-Mujer.
7. Support to guarantee the fundamental rights of girls and adolescents.
8. Programs aimed at preventing and reducing teenage pregnancies, and the spread of sexually transmitted diseases.
9. Programs focused on the formulation and design of strategies and interventions aimed at reducing child marriage and early unions (MIUT).
10. Improvement of services related to the sexual and reproductive health of girls, young people and adults, including family planning, information and education.
11. Strengthening information systems with a gender perspective as a tool to improve care and social protection services.
12. Exclusive monetary subsidy for women for the purchase of their own decent home.

Direct and indirect benefits: Increased social, labor and productive inclusion; Empowered women and girls and end gender-based violence; Reduced gender gaps in the workplace.

2.3 – Equal rights and opportunities



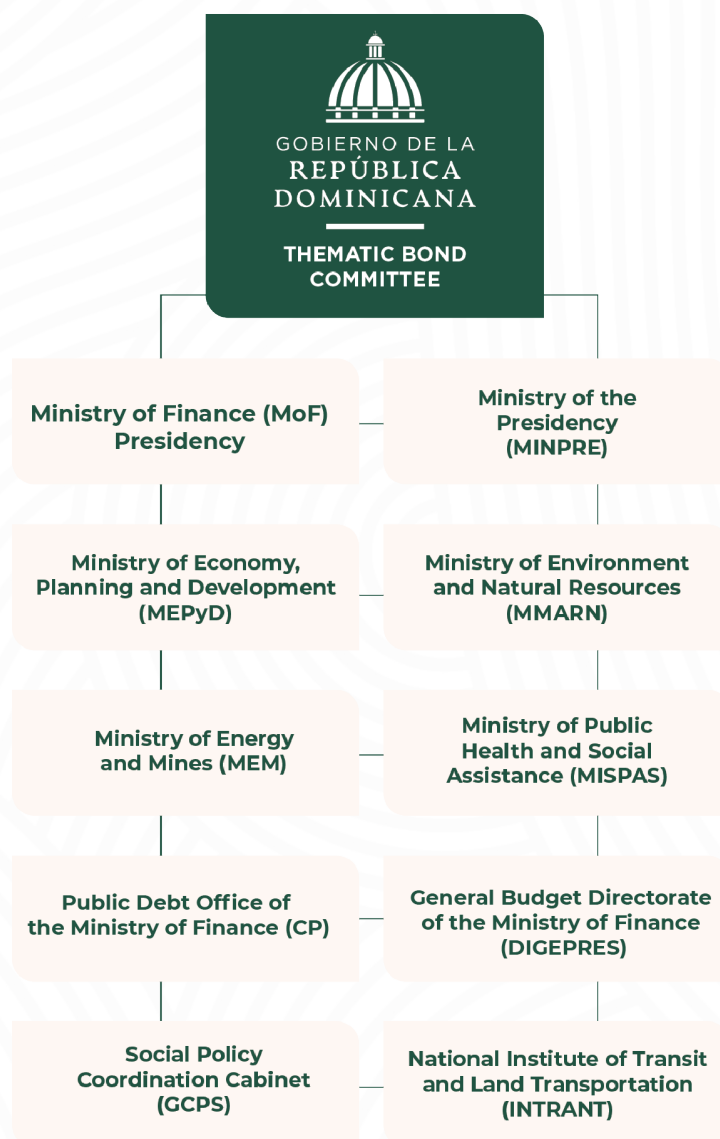
4.2 PROCESS FOR EXPENDITURE EVALUATION AND SELECTION

Eligible Expenditures selection and evaluation will be carried out annually and will be reviewed by the Thematic Bond Committee (CBT) as provided in Decree No. 204-24.¹⁰³ The CBT main purpose is to ensure the coherence, coordination and adequate implementation of the Dominican Republic's Thematic Sovereign Public Bond issuance program, as well as to present recommendations regarding compliance with transparency and accountability related to thematic bond issuances.

The CBT will ensure that the selection of Eligible Expenditures is based on significant, additional contribution to environmental and social sustainability, that the Framework is aligned with the principles and best international practices in terms of transparency, disclosure and market integrity, as well as adequate management of environmental, social and governance risks impacting the execution of expenditures, projects and programs financed through the issuance of thematic sovereign bonds.

¹⁰³ [Decree No. 204-24](#).

The CBT will be comprised of a managerial-level representative of the following bodies:



The CBT will have the following functions:

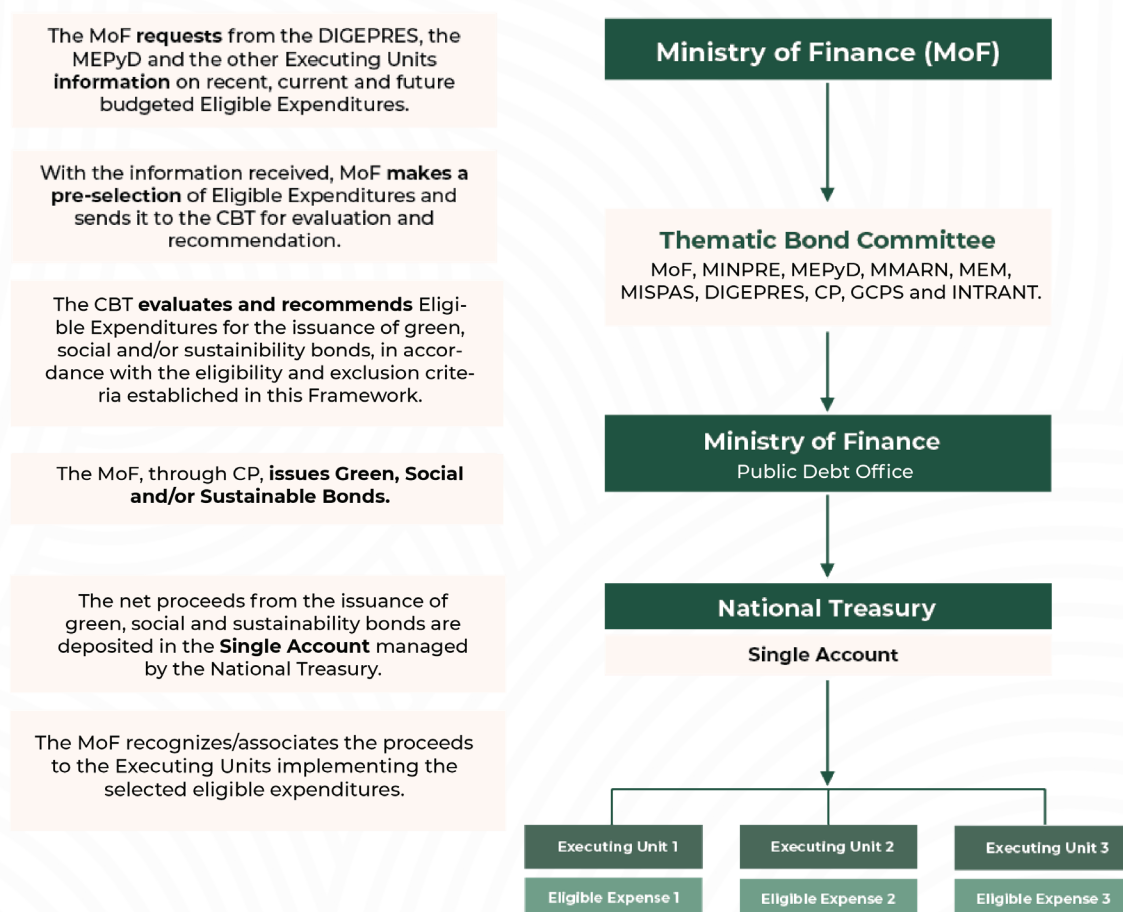
- Evaluate and provide recommendations for the Framework and the portfolio of Eligible Expenditures that will be used for the issuance of thematic bonds;
- Evaluate and provide recommendations to ensure the Framework's proper implementation;
- Verify that the expenditures included in the portfolio meet the eligibility criteria established in the Framework;
- Support the external review process of the Framework and portfolio of Eligible Expenditures, including the timely response to information requirements

and queries from regulators, external verifiers and investors; and

- Evaluate and submit to the Ministry of Finance recommendations on the allocation and impact reports and other documents resulting from the issuance of thematic sovereign public bonds provided for in the Framework and provide the necessary information for their preparation.

The Ministry of Finance, through CP, will coordinate this process and prepare the potential Eligible Expenditures based on information provided by DIGEPRES, the MEPyD, the Ministries and other institutions serving as Executing Units for the selected Eligible Expenditures.

Figure 1. Identification of Eligible Expenditures and allocation of proceeds



In this regard, the final responsibility for determining the Eligible Expenditures falls on the Ministry of Finance, while the ministries and other Executing Units will be responsible for providing the requested documents and any other additional information.

4.2.1 Environmental and social risk management

All projects and/or programs financed under this Framework will comply with Law No. 498-06 on Public Planning and Investment, its regulations,¹⁰⁴ methodological guide¹⁰⁵ and technical standards,¹⁰⁶ and/or the General Law on the Environment and Natural Resources (Law No. 64-00).¹⁰⁷ The National Public Investment System (SNIP) mandates that projects have socio-economic assessment and environmental impact studies, subject to the environmental as-

essment instruments of Law No. 64-00. The CBT will evaluate the projects and consider their environmental and social risks before summing its proposal on Eligible Expenditures, excluding those projects and activities that fall within this Framework's Exclusion List.

The Executing Units must have the environmental authorization of the investment project issued by the MMARN based on the magnitude of its environmental and social impacts, where applicable. In accordance with Law No. 64-00, institutions must submit to the MMARN the environmental impact declaration and report prepared by interdisciplinary teams of duly registered environmental service providers. Once the process is completed and the project is approved by the established bodies, the MMARN grants an environmental authorization, according to the criteria established in the Environmental Authorization System Regulation.¹⁰⁸ The categories of environmental authorizations are as follows:

¹⁰⁴ Decree [No. 493-07](#).

¹⁰⁵ Methodological guide. Available on the [website](#).

¹⁰⁶ Technical standards guide. Available on the [website](#).

¹⁰⁷ [Law No. 64-00](#).

¹⁰⁸ [Resolution No. 15-2016](#).

Table 3. Categories of environmental authorizations

Category	Type	Description
A	Environmental license	The project may produce adverse impacts on the environment, either due to its characteristics or because it is located in or near environmentally sensitive areas, and whose magnitude and extent must be determined during the study. This type of project includes preventive, mitigating and/or compensatory measures for the identified impacts, establishing the Environmental Management and Adaptation Program necessary for the project to be executed. An Environmental Impact Study is required for this category of project.
B	Environmental permit	The project impacts are well known or moderate, and whose effects can be eliminated or minimized through the adoption of necessary mitigation, prevention or compensation measures, which are established in the project's Environmental Management and Adaptation Program. An Environmental Impact Statement (EIS) is required for this category of project.
C	Environmental proof	The result of its diagnosis indicates that these impacts are well known or that their execution does not cause significant negative environmental impacts. For this type of project, it is only necessary to establish the corresponding mitigation measures to comply with existing environmental regulations.
D	Minimum Impact Registration Certificates (CRIM)	The result of the project diagnosis indicates that human activities are classified as having low environmental impact or low environmental risk. Compliance with existing environmental regulations is required.

For this Framework, in the case of category A projects, the Executing Units of investment projects must show the existence of an effective management system, in accordance with the magnitude of the investment and the scale of the project.

Any reference to environmental impact includes related social impacts, in which the effective participation of stakeholders and citizens in general must be guaranteed, including the holding of public hearings. This ensures adequate social management, transparency of processes, conflict prevention, as well as prevention, control, mitigation, and eventual compensation or reparation damage for the environmental and social impacts that may occur.

In the event of any material change or controversy related to environmental or social issues with any of the projects included in this Framework, the CBT will meet to assess and propose the Eligible Expenditure that could replace such projects and publish it in the annual allocation and impact reports that are part of the reporting requirements of this Framework.

Exclusions

Any expenditures related to the following activities will be excluded from Eligible Expenditures:

- Any activity that fails to comply with the fundamental principles of workers and labor rights¹⁰⁹.

109 Those recognized by the International Labor Organization (ILO): a) freedom of association and union freedom and the effective recognition of the right to collective bargaining; b) the prohibition of all forms of forced or compulsory labor; c) the prohibition of child labor, including, but not limited to, the prohibition of persons under 18 years of age from working in hazardous conditions (including construction activities), performing night work and being declared fit to work based on

- The production or trade of any product or activity considered illegal under the laws or regulations of the Dominican Republic, international conventions and agreements or subject to international prohibitions.
- The production or trade of pesticides or herbicides subject to phased withdrawal or prohibition at the international level and persistent organic pollutants.¹¹⁰
- The production or trade of substances that deplete the ozone layer subject to phased withdrawal at the international level.¹¹¹
- The production or trade of wild fauna and flora or products regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- The production or trade of weapons and ammunition.
- The production or trade of alcoholic beverages, excluding beer and wine with designation of origin.
- The production or trade of tobacco.
- Gambling, casinos and equivalent companies.
- The production or trade of unbound asbestos fibers. This does not ap-

a doctor's examination; and d) the elimination of discrimination in employment and occupation, in which discrimination is defined as any difference, exclusion or preference based on race, color, sex, religion, political opinion or national or social origin.

110 Those defined in the International Convention on the Reduction and Elimination of Persistent Organic Pollutants (POP; September 1999): aldrin, chlordane, dieldrin, endrin, heptachlor, mirex and toxaphene, in addition to the industrial chemical chlorobenzene.

111 In accordance with the Montreal Protocol and the Kigali Amendment.



El Valle Beach, Samana

ply to the purchase and use of bonded asbestos-cement sheets when the asbestos content is less than 20%.

- Driftnet fishing in the marine environment using nets more than 2.5km in length.
- The production or trade of wood or other forestry products from forests without the corresponding management and environmental adaptation plan (EMP).
- The production of nuclear energy.
- The exploration, exploitation of fossil fuels or electrical energy facilities generated from coal or oil, combined-cycle power plants fired by coal and oil.
- Forestry projects or operations in fragile or environmentally sensitive areas that do not have a forest management plan and environmental permit approved by the competent authority.
- Coal mining or petroleum extraction, refining, processing or production, and associated supply chain infrastructure.
- Fossil fuel filling stations, railway infrastructure dedicated to the transportation of fossil fuels, vehicles that use fossil fuels, oil tankers or vessels that transport only coal or oil.
- Agricultural or wood production in peatlands.
- Actions that promote market mechanisms for GHG transactions not having the endorsement of the MMARN or that do not comply with current regulations for this purpose.



4.3 MANAGEMENT OF PROCEEDS

This Framework is applicable to issuances of green, social and/or sustainability sovereign bonds conducted in the local or international capital market. Each bond issued under this Framework will be associated with a group of Eligible Expenditures, in line with section “4.1. Use of Proceeds” and “4.2. Process for expenditure, evaluation, and selection” hereof. However, this does not imply a direct connection or link between the funds and the associated Eligible Expenditures.

Prior to each issuance, the government will communicate the estimated percentage of Recent Expenditures to be recognized with the issuance of the bond, the estimated period in which the majority of the expenditures will be associated (Recent, Current or Future), as well as the breakdown between Green and Social Expenditures.

The Ministry of Finance will allocate the Eligible Expenditures to each bond issuance for an amount equal to the net proceeds from green, social and/or sustainability bond issuances and, in the case of co-financing with other sources of resources,

it will ensure to associate only the amount of green, social and sustainability bonds, in such a way that double counting is avoided. This information will be verified by the CBT prior to the publication of the first allocation report.

If any Eligible Expenditures are cancelled, postponed or become ineligible, the Ministry of Finance will replace them with other Eligible Expenditures that have gone through the evaluation and selection process, as defined in the previous section.

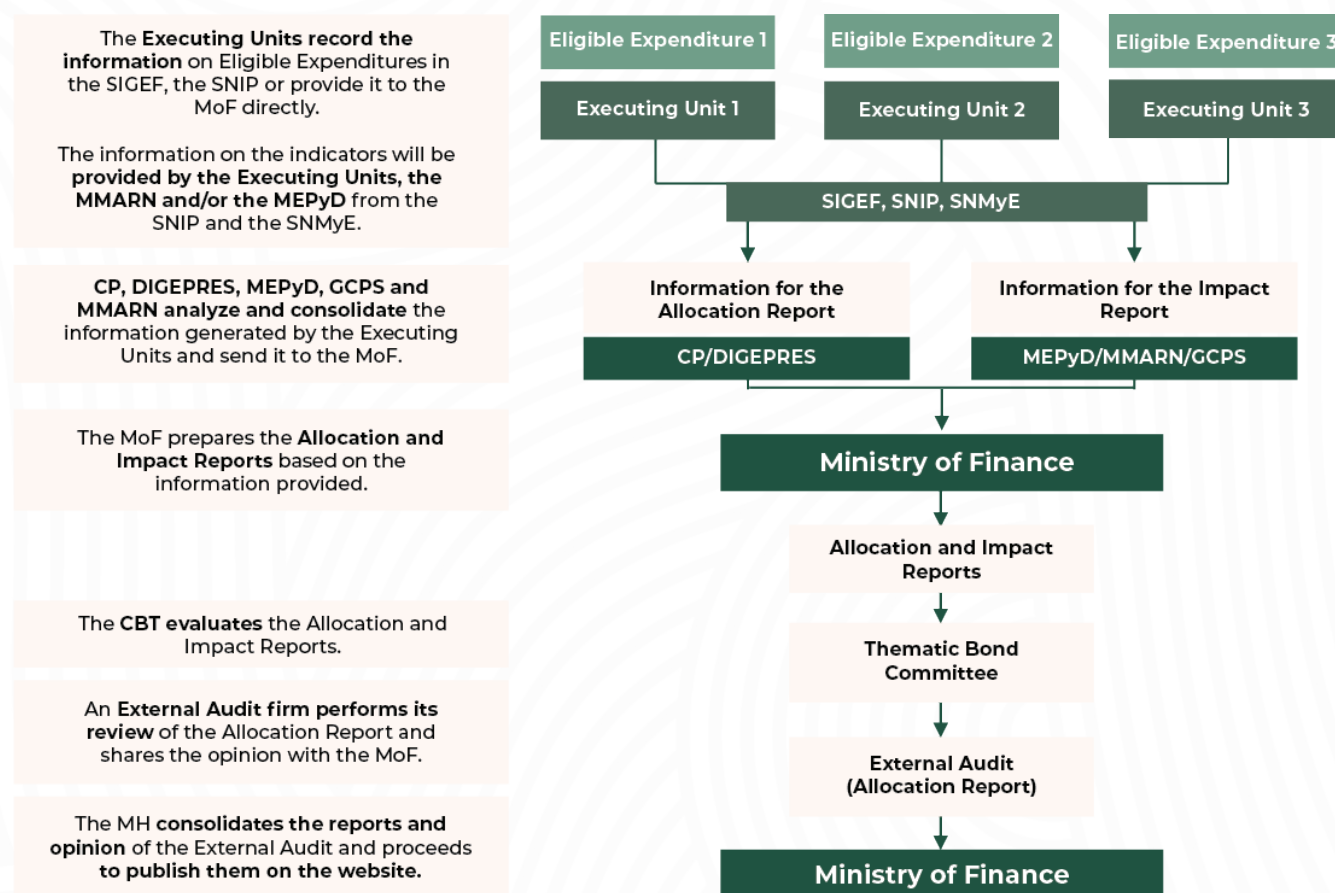
The net proceeds from the issuances carried out under this Framework will be deposited in the Treasury Single Account and will be managed in the same way as conventional global or local bonds. The net proceeds, while the association of funds referred to in section “4.1. Use of the Proceeds”, will be treated in accordance with the applicable treasury and public debt securities laws of the Dominican Republic. If for any reason the eligible expenditures are less than the total net proceeds received from the issuances of green, social, and/or sustainability bonds carried out under this Framework, the Dominican government will maintain the net funds pending to be associated in cash and/or cash equivalents.

4.4 REPORTING

For all bond issues issued under this Framework, the government of the Dominican Republic commits to transparently provide investors with reports of allocation of the net proceeds of each issuance and reports with expected result or impact indicators of the proceeds, in accordance with the information available for the evaluation of Eligible Expenditures.

The Proceeds Allocation and Impact Reports for sovereign green, social, and sustainability bonds issuances will be published on the CP's official website (www.creditpublico.gob.do).

Figure 2. Reporting process and external audit of Eligible Expenditures¹¹²



¹¹² FMIS: The Financial Management Information System (Spanish Acronym SIGEF) is the automated modular tool that serves as the facilitating instrument for fulfilling the purposes of the State Financial Administration System (SIAFE), which aims to rationalize the procedures that comprise the link with integrated and related systems, to facilitate harmony with its operation, security, maintenance, and permanent functional and computer updating. DIGEPRES is the department in charge of administering the FMIS.

SNIP: The National Public Investment System is a set of rules, instructions and procedures that aim, in the context of a modern state, to organize the public investment process, in order to carry out the most profitable investment projects from a socio-economic and environmental point of view for the country. The General Directorate of Public Investment (DGIP) of the MEPyD is responsible for managing the SNIP.

SNMyE: The National Monitoring and Evaluation System is the articulated set of institutional information systems that cover the different processes of planning, execution, monitoring, and evaluation of public policies, which allows systematically verifying the degree of compliance with the objectives and goals, measuring and evaluating the effectiveness, efficiency, quality, impact, and sustainability of said policies and the achievement of national development goals. This system is a tool managed by the General Directorate of Economic and Social Development (DGDES) of the MEPyD for the monitoring and evaluation of public policies.

Allocation Report

The Allocation Report will be published annually until the allocation of the total net proceeds received from the issuance of the green, social and/or sustainability bonds. The first Allocation Report will be published during the year following issuance after being previously reviewed by the CBT.

The Report will provide the following information¹¹³:

- Description of Eligible Expenditures in each category and a breakdown of allocated proceeds by Eligible Expenditure category;
- A breakdown of allocated proceeds by fiscal year (Recent Expenditures or Current Expenditures);
- The remaining balance of non-associated proceeds, if applicable;
- Co-financing percentage per Eligible Expenditure, if applicable;

An external audit firm will review the Allocation Report and provide its independent opinion on the Report.

¹¹³ If there are confidentiality agreements that limit the level of detail of the information, it will be published in aggregate form.

Impact Report

The Ministry of Finance, in coordination with the other entities making up the CBT, will prepare a Report on the results and expected and/or current impact of the green and/or social expenditures associated with the bond issues offered under this Framework. This Report will subsequently be reviewed by the CBT. According to the availability of information that will be provided by the different Executing Units, the Report may include:

- Expected and/or current impact of Eligible Expenditures,
- Evolution of qualitative result indicators, and quantitative measurement of the impact of eligible expenditures (as far as possible),
- Assumptions and calculation methodology used to prepare the reported indicators.

This Report will be published annually from the year following the fiscal year of the issuance until the allocation of all the net proceeds received from the issue of the bond. The Ministry of Finance may obtain the opinion of specialized and independent entities on the impact reports.

Table 4 shows some examples of green indicators (non-exclusive) in each Green Category, which may be included in the Report.

Table 4. Examples of result and impact indicators – Green Categories

Green Category	Example of green indicators
Low carbon transportation	<ul style="list-style-type: none"> • Kilometers of roads for low-carbon transportation • Passengers per kilometer • GHG emissions reduced or avoided (tCO₂e) • Reduction of air pollutants: particulate matter (PM), sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and non-methane volatile organic compounds (NMVOC)
Renewable energy	<ul style="list-style-type: none"> • Amount of tax exemptions to promote the use and commercialization of renewable energies granted and/or authorized by the National Energy Commission (CNE) • Installed capacity of renewable energies annually (MW) • Annual generation of renewable energy (MWh) • Percentage of coverage of renewable generation over total electricity generation (%) • Emissions reduced/avoided (tCO₂ e/year)

Adaptation to climate change	<ul style="list-style-type: none"> · Number of adapted infrastructures (for example, gabions to protect against rain and floods) · Reduced flood/storm damage/repair costs · Reduction in the number of operating days lost due to flooding, disrupted transportation networks or other affected infrastructure · Reduction in the number of people affected by climate-related phenomena · Reduction in the number of forest fires and/or the area damaged by forest fires (km²) · Estimated cost of losses due to the effects of climate change · Agricultural area with crops more resistant to climate change (hectares)
Natural resources, land use and protected marine areas	<ul style="list-style-type: none"> · Extension of restored terrestrial, coastal and marine ecosystems (km or ha) · Reforested area (ha) · Number of people benefited by training programs · Area of planted forests (km or ha) · Hectares of forest with Forest Management Plans · Maintenance, safeguarding, increase in protected area (km²) · Surface of the hydrological basin recovered
Conservation of terrestrial and aquatic biodiversity	<ul style="list-style-type: none"> · Protected terrestrial or aquatic areas under conservation (Ha/Km²) · Absolute number of endemic species, flora or fauna restored · Total or endangered species under conservation
Efficient and resilient management of water and water waste	<ul style="list-style-type: none"> · Number of wastewater treatment plants built or improved · Annual amount of wastewater treated, reused or avoided (m³/year) · Annual volume of clean drinking water (m³/year) · Installed water storage volume (m³) · Absolute gross annual water use (m³/year) · Reduction of water consumption (percentage) · Reduction of water leaks (amount or percentage) · Absolute (gross) annual quantity of sludge that is reused (in tons of dry solids per year and in percentage) · Efficiency in water use measured as a percentage of gross value added between water used
Sustainable waste management	<ul style="list-style-type: none"> · Tons of waste, used, reused or recycled · Number of circular economy training and awareness programs · Emissions reduced/avoided (ton CO₂ e/year) · Amount of tax exemptions to promote the reduction, reuse, recycling, recovery and use of waste
Green buildings	<ul style="list-style-type: none"> · Percentage of annual energy savings · Annual GHG emissions reduced/avoided (tCO₂e) · Amount of tax exemptions to encourage the construction or modernization of certified buildings
Energy efficiency	<ul style="list-style-type: none"> · Percentage and absolute (kWh) of annual energy savings · Emissions reduced/avoided (CO₂ e/year)

Table 5 shows some examples of social indicators (not exclusive) in each Social Category, which may be included in the Report.

Table 5. Examples of result and impact indicators – Social Categories

Social Category	Example of social indicators
Security and sustainable food systems	<ul style="list-style-type: none"> · Average on the Latin American and Caribbean Food Security Scale (ELCSA) · Number of food rations distributed · Number of beneficiaries per Program · Food self-sufficiency · Prevalence of undernutrition (in percentage) · Agricultural production of subsidized basic items · Percentage of population below the minimum level of dietary energy consumption
Access to and permanence in quality education	<ul style="list-style-type: none"> · Surface area of classrooms built, transformed or expanded (m²) · Proportion of students with low performance in Science, Reading and Mathematics on the PISA test · Net coverage rate by levels (0 to 5 years) · Net completion rate by primary and secondary levels · Net repetition rate by primary and secondary level · Net coverage rate in the technical and vocational education · Net enrollment rate in higher education · Number of students receiving educational subsidy
Access to comprehensive and quality health care	<ul style="list-style-type: none"> · Increase in the number of patients treated in hospital centers · Number of people benefiting from medicines and health supplies for the treatment of high-cost diseases · Coverage of the government sponsored pharmacies network at the local level · Number of Social Assistance beneficiaries · Decrease in waiting times · Maternal mortality ratio (per 100,000 live births) · Neonatal and infant mortality rate (per 1,000 live births) · Life Expectancy at Birth (National) · Coverage of the target number of people with HIV on treatment with suppressed viral load (3rd 90)
Access to essential services and affordable basic infrastructure	<ul style="list-style-type: none"> · Percentage of the population with access to water from the public network inside or outside the home · National Water Potability Index (uncontaminated samples) · Percentage of households that receive 20 to 24 hours of electricity per day · Percentage of households in monetary poverty benefiting from social programs for access to basic services · Broadband Development Index (BDI) · Financial inclusion indicators · Increase in the percentage of the population with access to bank accounts
Access to inclusive and socially integrated housing	<ul style="list-style-type: none"> · Percentage of quantitative and qualitative housing deficit · Percentage of homes in unrecoverable condition, according to the methodology of the Dominican housing deficit · Structural Recoverability Index · Percentage of people with an average Climate Shock Vulnerability Index (IVACC in Spanish) less than 0.524 · Percentage of female heads of household who own their own home · Percentage of households in monetary poverty benefiting from social programs for access to housing

Employment generation, promotion of competitiveness	<ul style="list-style-type: none"> Percentage of people employed in the formal sector Unemployment rate and Potential Labor Force (SU3) Number of people employed in formal MSMEs Employability rate in the formal sector of graduates from professional technical and university education Percentage of young people aged 15 to 24 who are not in education or employment Formal employment rate in the agricultural sector 	
Socioeconomic advancement and reduction of inequalities	Assistance to people in situations of extreme socio-economic vulnerability	<ul style="list-style-type: none"> Number of families benefiting from conditional and/or unconditional transfers Employment rate within the indigent population
	Social protection for Children and Adolescents	<ul style="list-style-type: none"> Number of Children and Adolescents benefited by the programs Rate of Children and Adolescents (C&A) victims of sexual crimes, gender and domestic violence per 100 thousand children and adolescents. Rate of complaints of domestic violence per 100 thousand inhabitants Net early childhood care coverage
	Older adult protection	<ul style="list-style-type: none"> Percentage of older adults beneficiaries of programs, receiving financial support and/or companionship Pension coverage rate for older adults Percentage of the elderly population covered with health insurance Percentage of the elderly population in poverty
	People with disabilities	<ul style="list-style-type: none"> Number of people with disabilities benefiting from the programs Employed population of people with disabilities Percentage of population with disabilities with minimum level of middle or secondary education achieved
Closing the gender gap, reducing inequalities and empowerment	<ul style="list-style-type: none"> Women benefiting from subsidies, guidance, accompaniment and/or financial support Global Gender Gap Index Percentage of women in monetary poverty Proportion of women in protection programs in relation to complaints of violence against women received Percentage of employed women in rural areas dedicated to unpaid work with respect to employed women in rural areas Extended male-female unemployment rate gap Female employment rate gap Gender gap in labor income 	



Bay of Santa Bárbara de Samaná

5

EXTERNAL REVIEW

Second-Party Opinion for this Framework

As part of the Dominican Republic's commitment to ensuring the highest standards of transparency in its operations, S&P Global Ratings, a Second Party Opinion provider, was appointed to prepare an external and independent review of the Framework prior to the first bond issuance.

The Second Party Opinion will provide investors with an assessment of the expected benefits of the Framework categories and their alignment with ICMA Principles and Guidelines.

The documents related to this independent Second Party Opinion are published on CP's official website (www.creditopublico.gob.do).

External audit

The Ministry of Finance will hire, on an annual basis until all the resources from the bond issue related to this Framework have been associated, an independent external auditor to guarantee that the association of the proceeds is in accordance with the "Use of Proceeds" and "Management of proceeds" sections herein. The result of said audit will be published along with the Allocation Report.



UPDATES TO THIS FRAMEWORK

The Ministry of Finance reserves the right to modify this Framework according to international best practices or in accordance with Dominican Republic's international commitments. If any update is made, it will be duly published on the CP official website.

Legal Disclaimer

This Dominican Republic's Green, Social, and Sustainability Bond Framework has been prepared for informational purposes only, for each recipient, so it does not constitute and should not be construed as an offer or solicitation to buy or sell any related securities or financial instruments. This document is not intended to create legal relations, rights or obligations, and therefore its existence cannot be invoked for such purposes.

It also does not provide and should not be relied upon as investment advice. This document does not take into account the investment objectives, financial situation or needs of any particular recipient, natural or legal person, who may receive it. Prospective investors should make their own investment decisions based on their independent research and assessment. Any decision to purchase any securities should be based solely on the information included in the debt securities documentation in question and not on the basis of the information contained in this material.

The information contained in this Framework is current and effective as of the date of its issue, so any information, estimate or opinion expressed herein is subject to change without prior notice, and the Dominican Republic is under no obligation to update or keep current the information contained in this document. This material contains no statements, representations or warranties, express or implied, regarding the accuracy, completeness or reasonableness of the information contained herein. No statement or information contained herein should be construed as a certification or accreditation of the political or economic figures or strategies of the Dominican Government.

None of the forecasts, expectations, estimates or prospects herein should be construed as forecasts or promises, nor should they be construed as implying an indication, assurance or warranty that the assumptions on which the future forecasts, expectations, estimates or prospects have been developed are correct or complete or, in the case of assumptions, are fully reflected in the Framework.

This material is not intended for distribution or use by any person, natural or legal, or entity in any jurisdiction or country where such distribution or use would be contrary to the law or regulations in force in that jurisdiction. Any person in possession of these documents should become aware of and comply with all restrictions applicable to the distribution thereof.



DOMINICAN REPUBLIC'S

**Green, Social, and
Sustainability Bond Framework**